



Our Competitive Landscape: A Report on the Composition and Performance of the North Dakota Economy

The Regional Picture

Prepared by:



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Table of Contents

Introduction	5
<i>Summary of Industrial Classification</i>	<i>7</i>
Industrial Composition - Region 1	13
<i>Dynamic Industries</i>	<i>17</i>
<i>Growing Industries</i>	<i>20</i>
<i>Stable Industries</i>	<i>22</i>
<i>Declining Industries</i>	<i>24</i>
Industrial Composition - Region 2	27
<i>Dynamic Industries</i>	<i>31</i>
<i>Growing Industries</i>	<i>33</i>
<i>Stable Industries</i>	<i>35</i>
<i>Declining Industries</i>	<i>38</i>
Industrial Composition - Region 3	41
<i>Dynamic Industries</i>	<i>45</i>
<i>Growing Industries</i>	<i>47</i>
<i>Stable Industries</i>	<i>49</i>
<i>Declining Industries</i>	<i>51</i>
Industrial Composition - Region 4	53
<i>Dynamic Industries</i>	<i>57</i>
<i>Growing Industries</i>	<i>59</i>
<i>Stable Industries</i>	<i>61</i>
<i>Declining Industries</i>	<i>63</i>
Industrial Composition - Region 5	65
<i>Dynamic Industries</i>	<i>69</i>
<i>Growing Industries</i>	<i>71</i>
<i>Stable Industries</i>	<i>73</i>
<i>Declining Industries</i>	<i>75</i>
Industrial Composition - Region 6	77
<i>Dynamic Industries</i>	<i>81</i>
<i>Growing Industries</i>	<i>84</i>
<i>Stable Industries</i>	<i>86</i>
<i>Declining Industries</i>	<i>88</i>
Industrial Composition - Region 7	91
<i>Dynamic Industries</i>	<i>95</i>
<i>Growing Industries</i>	<i>98</i>
<i>Stable Industries</i>	<i>101</i>
<i>Declining Industries</i>	<i>103</i>
Industrial Composition - Region 8	105
<i>Dynamic Industries</i>	<i>109</i>
<i>Growing Industries</i>	<i>111</i>
<i>Stable Industries</i>	<i>113</i>
<i>Declining Industries</i>	<i>115</i>

Introduction

On Aug. 9, 2000, Economy.com (formerly RFA) presented “Our Competitive Landscape: A Report on the Composition and Performance of the North Dakota Economy” to over 200 public and private sector leaders at the state’s capitol. In the following months, a second presentation was made to the Greater North Dakota Association annual business conference and more than 8,500 copies of the report and condensed brochure were distributed to community decision-makers across the state.

The sequel to this comprehensive and authoritative report – The Regional Picture – contains strategic information on each of North Dakota’s eight economic planning regions. This report provides a picture of the regional economic structures and trends that occurred during the 1990s. By separating the state’s industries into four categories – dynamic, growing, stable and declining – you can see the opportunities and challenges that face each region.

The statewide and regional reports are best used in combination to obtain a more complete understanding of our unique North Dakota regional economies.

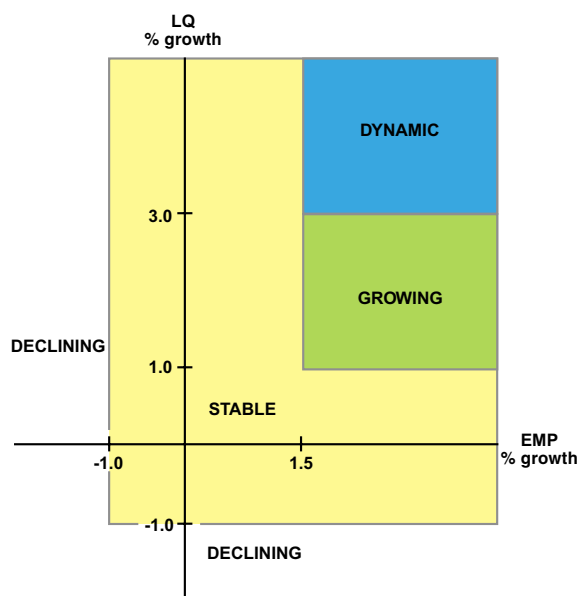
The North Dakota Department of Economic Development and Finance (ED&F) commissioned these two studies to give policy makers, community leaders and educators at all levels a detailed picture of our state’s competitive landscape. The nature and scope of these reports are totally new – never before have we possessed such specific regional and strategic information about our state’s economy.

“Our Competitive Landscape: A Report on the Composition and Performance of the North Dakota Economy” and “Our Competitive Landscape: The Regional Picture” are both available on the ED&F web site at www.growingnd.com (in the Research section of ED&F Services).

The data used for the regional analysis is estimated county-level data, based on data from the Bureau of Labor Statistics, the Bureau of Economic Analysis, and the Bureau of the Census. These data are our best estimates of county-level employment, and, as such, the figures and percentages quoted are intended to give the scope of the industry, not to provide a precise census count of employment. All data is current as of 1998, which was the most recent complete data available at the initiation of the analysis.

For the purpose of this report, only the largest industries in each industry group are discussed in detail. Additionally, no industry will be included in the analysis if it accounts for less than 1.0% of the region’s total employment at the two-digit SIC level. Thus, summing the employment for those industries described may not add up to the total employment for that classification.

Industry Classification Guide



Dynamic, Growing, Stable and Declining Industries

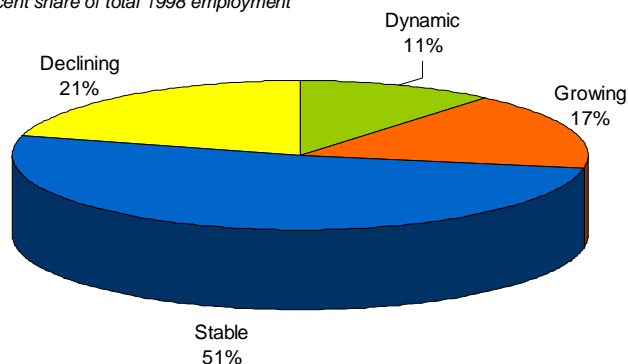
Four groups of industries have been identified to help define the structure of North Dakota's economy. The Dynamic, Growing, Stable and Declining industry groups are identified by employment growth and relative concentration of employment. The time period of analysis is 1988 to 1998; all growth rates are annualized for this period.¹ Industries are identified first at the two-digit SIC level of disaggregation and then further analyzed at the three-digit level.

Concentration of an industry is measured by its location quotient (LQ), which is the ratio of the industry's employment share in the state and its employment share nationwide. For example, if an industry employs 5% of the work force in both North Dakota and the U.S., then the LQ equals 1.0. If it employs 10% locally and 5% nationally, the LQ equals 2.0.

- **Dynamic** industries are those for which employment not only is increasing at a rate above 1.5% per year, but LQ is growing by more than 3.0% per year.
- **Growing** industries also have job growth exceeding 1.5% per year, however, they are not concentrating as rapidly, with LQ growth between 1.0% and 3.0% per year.
- There are two sets of conditions for which an industry is classified as **Stable**. First are those industries with employment growth of 1.5% or greater, but location quotient growth of less than 1.0%. The other group of stable industries includes those with employment growth between -1.0% and 1.5% in which location quotient is declining by no more than -1.0%.
- **Declining** industries are those industries in which the location quotient growth declining faster than -1.0%, annually. Also, any industry in which employment is declining at a rate faster than -1.0% per year is determined to be declining.

North Dakota's Industry Distribution

Percent share of total 1998 employment



¹ The cutoff points of location quotients and employment growth rates used to define industry groups were identified by examining frequency distributions across industries and identifying natural breaks in the distribution pattern.

Table 1: Summary of Industry Classifications in North Dakota and its Regions										
		State	1	2	3	North Dakota Regions				
						4	5	6	7	8
Commodities										
FRM	Farm Payroll Labor	DE	DE	DE	DE	DE		DE		DE
7	Agricultural Services			DE		DE				
12	Coal Mining									
13	Oil & Gas Extraction		DE	ST						DE
14	Nonmetallic minerals									
Construction										
15	General Building Contractors	DY		DY	GR	DY	DY	ST		
16	Heavy Construction			DY					GR	ST
17	Special Trade Contractors	GR	DE	GR	GR	DY	GR	GR	GR	ST
Manufacturing										
20	Food Products	GR				DY	GR	GR		
24	Lumber & Wood Products									DY
27	Printing and Publishing						ST	DY		DY
34	Fabricated Metal Products							GR		
35	Industrial Machinery	DY			DY		DY		DY	
36	Electronic Equipment	DY								DY
37	Transportation Equipment	DY			DY	DY				
Transportation, Communications, Utilities										
40	Railroads								DY	
42	Trucking & Warehousing	ST	DE	ST	DY	ST	ST	GR	ST	DE
48	Communications	DE					DE		DE	
49	Elect., Gas & Sanitary Services	DE		DE	DY				ST	
Trade										
50	Wholesale Trade Durables	ST	DE	ST	DE	GR	ST	ST	ST	ST
51	Wholesale Trade Nondurables	DE	ST	ST	DE	GR	DE	DE	DE	DE
52	Building Materials		GR	GR	DE					
53	General Merchandise	ST	DY	ST	DY	ST	DE	DY	DE	DY
54	Food Stores	ST	DE	ST	DE	ST	ST	ST	ST	DE
55	Auto Dealers & Service Stations	GR	GR	DY	GR	GR	GR	ST	ST	GR
56	Apparel & Accessory Stores									
57	Furniture Stores					DY				
58	Eating & Drinking Places	ST	ST	ST	DE	ST	ST	DE	ST	ST
59	Misc. Retail	ST	DE	GR	DE	GR	GR	GR	GR	ST
Finance, Insurance & Real Estate										
60	Depository Institutions	GR	DY	DE	DY	ST	GR	DY	GR	DE
63	Insurance Carriers	GR					DY		DY	
65	Real Estate				GR					
Services										
70	Hotels & Other Lodging	GR	GR	GR		GR	DY	ST	DE	DE
72	Personal Services									
73	Business Services	DY	DY	DY	DY	GR	ST	DY	DY	
75	Auto Repair, Parking & Services									
79	Amusement & Recreation Svcs.	DY	DY		DY		GR		DY	ST
80	Health Services	ST	ST	ST	DE	ST	ST	ST	ST	ST
82	Private Educational Services				ST			DE	GR	
83	Social Services	GR	DY	GR	ST	ST	ST	DY	ST	DY
86	Membership Organizations	DE	DY	DE	DE	DE	DE	DE	DE	GR
87	Engineering & Mgm't Svcs.									
88	Private Household Workers		DE							
Government										
GVF	Federal Government	DE	DE	DE	ST	DE	ST	DE	ST	DE
GVSL	State & Local Government	ST	ST	GR	DE	ST	DE	ST	ST	ST
PH	Private Household Workers									
ML	Military	DE	DE	DE	DE	DE	ST	DE	ST	DE
Notes:										
1) Industries that are in Italicized and Bold characters are considered part of the basic economy.										
2) DY = Dynamic; GR = Growing; ST = Stable; DE = Declining										
3) See glossary for definitions of industry groups.										
4) Only industries that account for at least 1% of local employment are included in this table.										

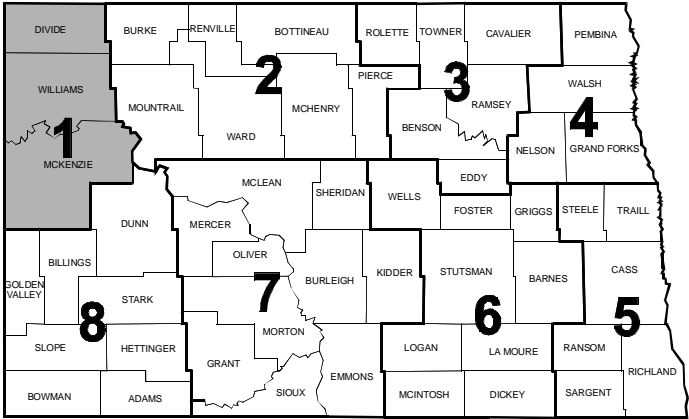
Table 2: Dynamic Industries in North Dakota and its Regions											
		North Dakota Regions									
		State	Count	1	2	3	4	5	6	7	8
Commodities											
FRM	Farm Payroll Labor		0								
7	Agricultural Services		0								
12	Coal Mining										
13	Oil & Gas Extraction		0								
14	Nonmetallic minerals		0								
Construction											
15	General Building Contractors	DY	3		DY		DY	DY			
16	Heavy Construction		1		DY						
17	Special Trade Contractors		1				DY				
Manufacturing											
20	Food Products		1				DY				
24	Lumber & Wood Products		1								DY
27	Printing and Publishing		2						DY		DY
34	Fabricated Metal Products		0								
35	Industrial Machinery	DY	3			DY		DY		DY	
36	Electronic Equipment	DY	1								DY
37	Transportation Equipment	DY	2			DY	DY				
Transportation, Communications, Utilities											
40	Railroads		1							DY	
42	Trucking & Warehousing		1			DY					
48	Communications		0								
49	Elect., Gas & Sanitary Services		1			DY					
Trade											
50	Wholesale Trade Durables		0								
51	Wholesale Trade Nondurables		0								
52	Building Materials		0								
53	General Merchandise		4	DY		DY			DY		DY
54	Food Stores		0								
55	Auto Dealers & Service Stations		1		DY						
56	Apparel & Accessory Stores		0								
57	Furniture Stores		1				DY				
58	Eating & Drinking Places		0								
59	Misc. Retail		0								
Finance, Insurance & Real Estate											
60	Depository Institutions		3	DY		DY			DY		
63	Insurance Carriers		2					DY		DY	
65	Real Estate		0								
Services											
70	Hotels & Other Lodging		1					DY			
72	Personal Services										
73	Business Services	DY	5	DY	DY	DY			DY	DY	
75	Auto Repair, Parking & Services		0								
79	Amusement & Recreation Svcs.	DY	3	DY		DY				DY	
80	Health Services		0								
82	Private Educational Services		0								
83	Social Services		3	DY					DY		DY
86	Membership Organizations		1	DY							
87	Engineering & Mgm't Svcs.										
88	Private Household Workers		0								
Government											
GVF	Federal Government		0								
GVSL	State & Local Government		0								
PH	Private Household Workers										
ML	Military		0								
Notes:		1) Industries that are in Italicized and Bold characters are considered part of the basic economy.									
		2) DY = Dynamic; GR = Growing; ST = Stable; DE = Declining									
		3) See glossary for definitions of industry groups.									
		4) Only industries that account for at least 1% of local employment are included in this table.									

Table 3: Growing Industries in North Dakota and its Regions											
		North Dakota Regions									
		State	Count	1	2	3	4	5	6	7	8
Commodities											
FRM	Farm Payroll Labor		0								
7	Agricultural Services		0								
12	Coal Mining										
13	Oil & Gas Extraction		0								
14	Nonmetallic minerals		0								
Construction											
15	General Building Contractors		1			GR					
16	Heavy Construction		1							GR	
17	Special Trade Contractors	GR	5		GR	GR		GR	GR	GR	
Manufacturing											
20	Food Products	GR	2					GR	GR		
24	Lumber & Wood Products		0								
27	Printing and Publishing		0								
34	Fabricated Metal Products		1						GR		
35	Industrial Machinery		0								
36	Electronic Equipment		0								
37	Transportation Equipment		0								
Transportation, Communications, Utilities											
40	Railroads		0								
42	Trucking & Warehousing		1						GR		
48	Communications		0								
49	Elect., Gas & Sanitary Services		0								
Trade											
50	Wholesale Trade Durables		1				GR				
51	Wholesale Trade Nondurables		1				GR				
52	Building Materials		2	GR	GR						
53	General Merchandise		0								
54	Food Stores		0								
55	Auto Dealers & Service Stations	GR	5	GR		GR	GR	GR			GR
56	Apparel & Accessory Stores		0								
57	Furniture Stores		0								
58	Eating & Drinking Places		0								
59	Misc. Retail		5		GR		GR	GR	GR	GR	
Finance, Insurance & Real Estate											
60	Depository Institutions	GR	2					GR		GR	
63	Insurance Carriers	GR	0								
65	Real Estate		1			GR					
Services											
70	Hotels & Other Lodging	GR	3	GR	GR		GR				
72	Personal Services										
73	Business Services		1				GR				
75	Auto Repair, Parking & Services		0								
79	Amusement & Recreation Svcs.		1					GR			
80	Health Services		0								
82	Private Educational Services		1							GR	
83	Social Services	GR	1		GR						
86	Membership Organizations		1								GR
87	Engineering & Mgm't Svcs.										
88	Private Household Workers		0								
Government											
GVF	Federal Government		0								
GVSL	State & Local Government		1		GR						
PH	Private Household Workers										
ML	Military		0								
Notes:											
1) Industries that are in Italicized and Bold characters are considered part of the basic economy.											
2) DY = Dynamic; GR = Growing; ST = Stable; DE = Declining											
3) See glossary for definitions of industry groups.											
4) Only industries that account for at least 1% of local employment are included in this table.											

Table 4: Stable Industries in North Dakota and its Regions											
		North Dakota Regions									
		State	Count	1	2	3	4	5	6	7	8
Commodities											
FRM	Farm Payroll Labor		0								
7	Agricultural Services		0								
12	Coal Mining										
13	Oil & Gas Extraction		1		ST						
14	Nonmetallic minerals		0								
Construction											
15	General Building Contractors		1						ST		
16	Heavy Construction		1								ST
17	Special Trade Contractors		1								ST
Manufacturing											
20	Food Products		0								
24	Lumber & Wood Products		0								
27	Printing and Publishing		1					ST			
34	Fabricated Metal Products		0								
35	Industrial Machinery		0								
36	Electronic Equipment		0								
37	Transportation Equipment		0								
Transportation, Communications, Utilities											
40	Railroads		0								
42	Trucking & Warehousing	ST	4		ST		ST	ST		ST	
48	Communications		0								
49	Elect., Gas & Sanitary Services		1							ST	
Trade											
50	Wholesale Trade Durables	ST	5		ST			ST	ST	ST	ST
51	Wholesale Trade Nondurables		2	ST	ST						
52	Building Materials		0								
53	General Merchandise	ST	2		ST		ST				
54	Food Stores	ST	5		ST		ST	ST	ST	ST	
55	Auto Dealers & Service Stations		2						ST	ST	
56	Apparel & Accessory Stores		0								
57	Furniture Stores		0								
58	Eating & Drinking Places	ST	6	ST	ST		ST	ST		ST	ST
59	Misc. Retail	ST	1								ST
Finance, Insurance & Real Estate											
60	Depository Institutions		1				ST				
63	Insurance Carriers		0								
65	Real Estate		0								
Services											
70	Hotels & Other Lodging		1						ST		
72	Personal Services							ST		ST	
73	Business Services		1					ST			
75	Auto Repair, Parking & Services		0								
79	Amusement & Recreation Svcs.		1								ST
80	Health Services	ST	7	ST	ST		ST	ST	ST	ST	ST
82	Private Educational Services		1			ST					
83	Social Services		4			ST	ST	ST		ST	
86	Membership Organizations		0								
87	Engineering & Mgm't Svcs.							ST		ST	
88	Private Household Workers		0								
Government											
GVF	Federal Government		3			ST		ST		ST	
GVSL	State & Local Government	ST	5	ST			ST		ST	ST	ST
PH	Private Household Workers										
ML	Military		2					ST		ST	
Notes:		1) Industries that are in Italicized and Bold characters are considered part of the basic economy.									
		2) DY = Dynamic; GR = Growing; ST = Stable; DE = Declining									
		3) See glossary for definitions of industry groups.									
		4) Only industries that account for at least 1% of local employment are included in this table.									

Table 5: Declining Industries in North Dakota and its Regions											
						North Dakota Regions					
		State	Count	1	2	3	4	5	6	7	8
Commodities											
FRM	Farm Payroll Labor	DE	6	DE	DE	DE	DE		DE		DE
7	Agricultural Services		2		DE		DE				
12	Coal Mining										
13	Oil & Gas Extraction		2	DE							DE
14	Nonmetallic minerals		0								
Construction											
15	General Building Contractors		0								
16	Heavy Construction		0								
17	Special Trade Contractors		1	DE							
Manufacturing											
20	Food Products		0								
24	Lumber & Wood Products		0								
27	Printing and Publishing		0								
34	Fabricated Metal Products		0								
35	Industrial Machinery		0								
36	Electronic Equipment		0								
37	Transportation Equipment		0								
Transportation, Communications, Utilities											
40	Railroads		0								
42	Trucking & Warehousing		2	DE							DE
48	Communications	DE	2					DE		DE	
49	Elect., Gas & Sanitary Services	DE	1		DE						
Trade											
50	Wholesale Trade Durables		2	DE		DE					
51	Wholesale Trade Nondurables	DE	5			DE		DE	DE	DE	DE
52	Building Materials		1			DE					
53	General Merchandise		2					DE		DE	
54	Food Stores		3	DE		DE					DE
55	Auto Dealers & Service Stations		0								
56	Apparel & Accessory Stores		0								
57	Furniture Stores		0								
58	Eating & Drinking Places		2			DE			DE		
59	Misc. Retail		2	DE		DE					
Finance, Insurance & Real Estate											
60	Depository Institutions		2		DE						DE
63	Insurance Carriers		0								
65	Real Estate		0								
Services											
70	Hotels & Other Lodging		2							DE	DE
72	Personal Services										
73	Business Services		0								
75	Auto Repair, Parking & Services		0								
79	Amusement & Recreation Svcs.		0								
80	Health Services		1			DE					
82	Private Educational Services		1						DE		
83	Social Services		0								
86	Membership Organizations	DE	6		DE	DE	DE	DE	DE	DE	
87	Engineering & Mgm't Svcs.										
88	Private Household Workers		1	DE							
Government											
GVF	Federal Government	DE	5	DE	DE		DE		DE		DE
GVSL	State & Local Government		2			DE		DE			
PH	Private Household Workers										
ML	Military	DE	6	DE	DE	DE	DE		DE		DE
Notes:											
1) Industries that are in Italicized and Bold characters are considered part of the basic economy.											
2) DY = Dynamic; GR = Growing; ST = Stable; DE = Declining											
3) See glossary for definitions of industry groups.											
4) Only industries that account for at least 1% of local employment are included in this table.											

Industrial Composition - Region 1

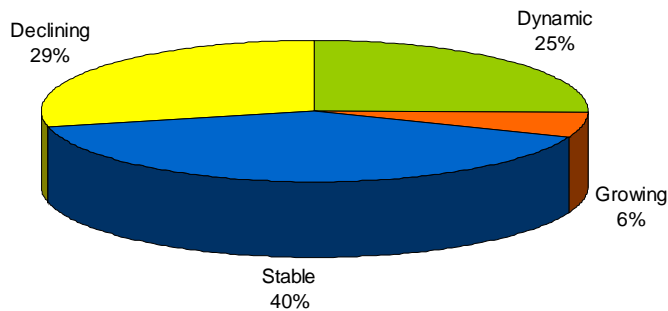


Industrial Composition – Region 1

Region 1 is a small rural region in northwestern North Dakota that has about 28,000 people or 4% of the state's population. The region's economic center is Williston, in Williams County. The northern portion of Theodore Roosevelt National Park extends into the southern part of the region.

Region 1 Industry Distribution

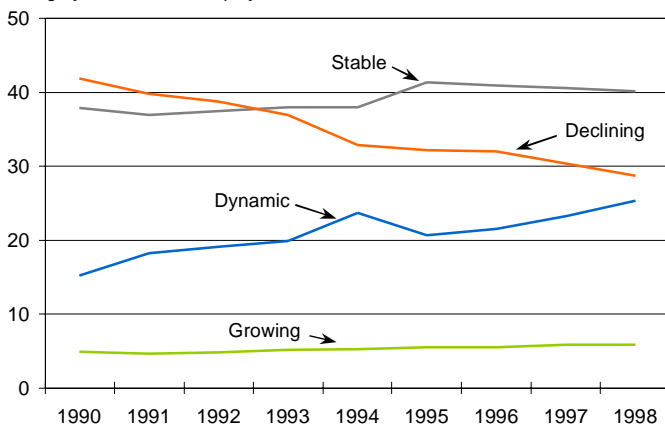
Percent share of total 1998 employment



Region 1 accounts for approximately 4% of North Dakota's employment base. The region's dynamic industries group employs a very large share (25%) of its workforce. The group is made up primarily of service industries, which are expanding the breadth of employment opportunities in the region. The growing industries group, however, accounts for a very small 6% share of employment and is comprised of retail trade and general contractors. The stable industries group is the largest, accounting for 40% of total regional employment. It includes two of the region's largest industries, state and local government and health services. The declining industries group is the second largest in the region, accounting for nearly 30% of regional employment. This structure shows some weakness in the regional economy since the declining industries include such basic industries as agriculture, oil and gas extraction, and the military. Among the dynamic industries only business services forms part of the basic economy that sells its goods and services outside of the region.

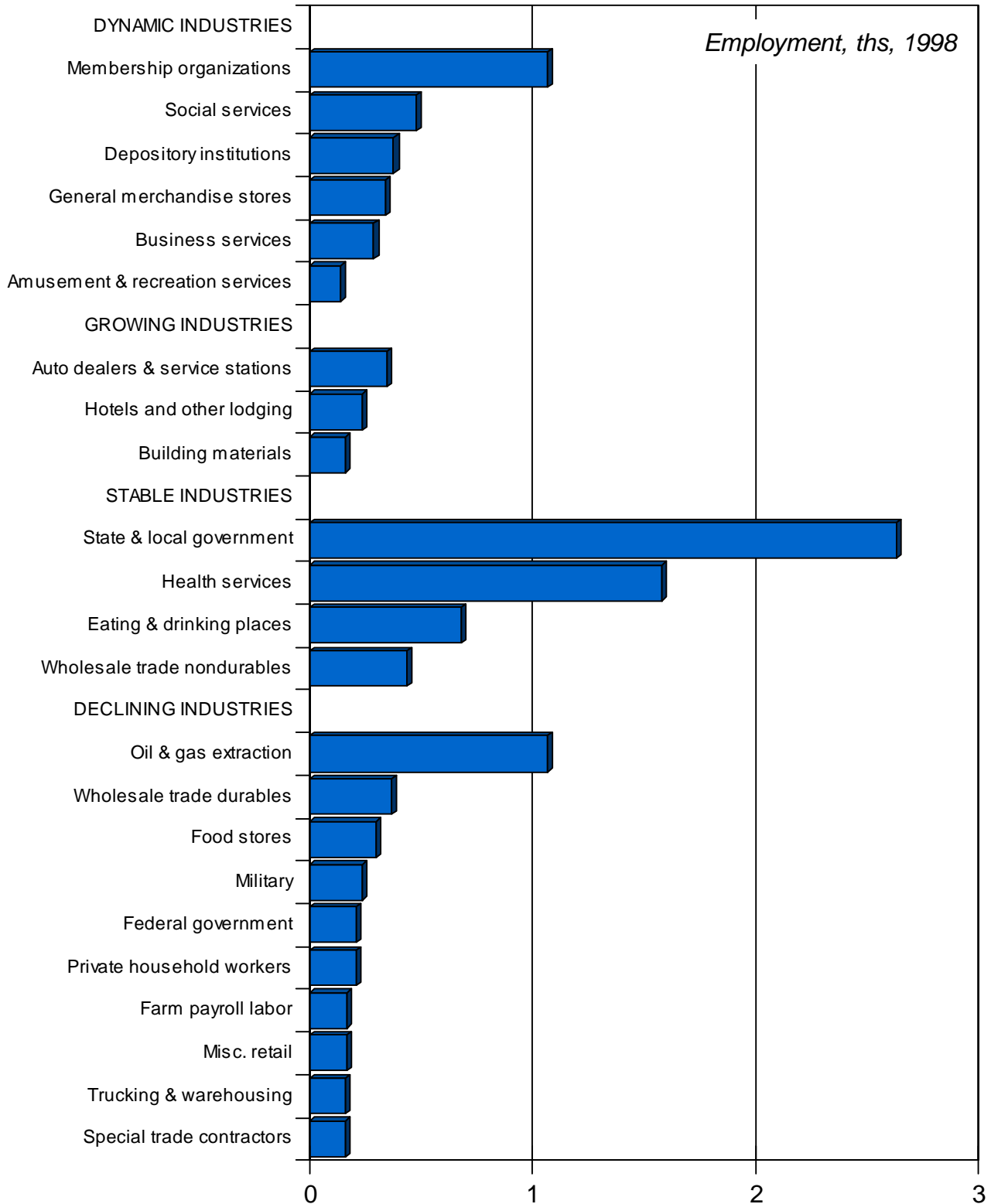
Composition of Region 1 Employment

Category share of total employment



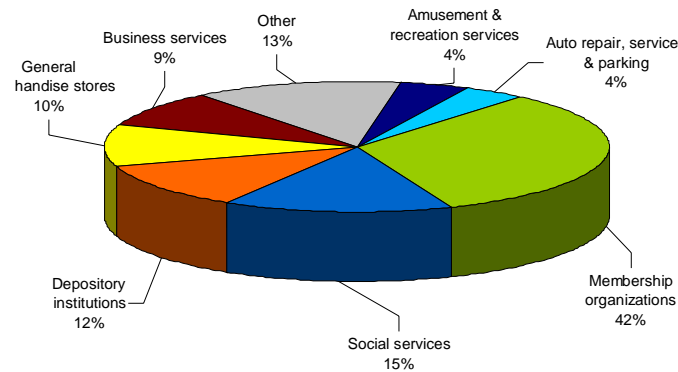
Employment in the dynamic industries has increased most rapidly throughout the decade, increasing from around 15% of employment in 1990 to 25% in 1998. Conversely, declining industries rapidly decreased as a share of employment during the same period, although they remain the second largest industry group in the region. The growing and stable industries put on a steady performance in the 1990s, as each slightly increased their share of regional employment.

Region 1 Industry Employment Profile



Region 1 Dynamic Industries

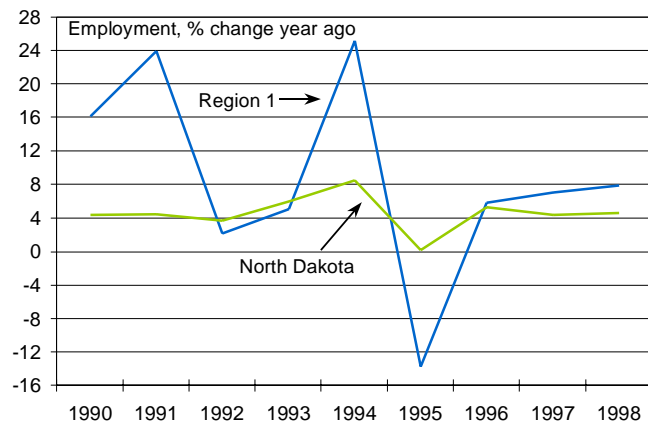
Total 1998 employment = 3,420



Dynamic Industries

Region 1's dynamic industries employ over 3,400 people, comprising approximately 25% of total regional employment. The group includes membership organizations and social services, which have experienced generally strong growth throughout the decade. Business services and depository institutions have also been engines of growth for the region. General merchandise stores are also included in this group, but most growth stems from the 1991 opening of a Wal-Mart store in Williston. This group of dynamic industries characterizes the economy as shifting toward general services and away from employment in traditional rural industries such as agriculture.

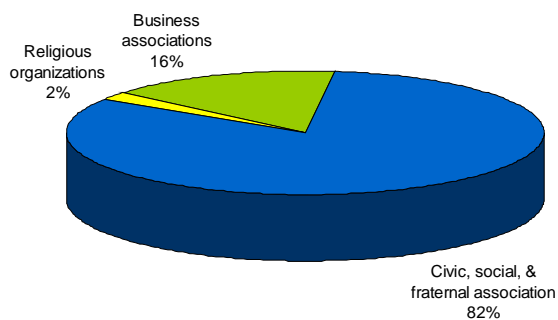
Region 1 Dynamic Industries



Employment in the region's dynamic industries experienced rapid growth in the early half of the decade, outpacing the same group of industries nationwide. This growth was strongest in 1991 and 1994, when growth in business services accelerated. Employment growth in the industry group, both regionally and statewide, dipped artificially in 1995 with the reclassification of employment by Native American tribes from membership organizations to state and local government.

SIC 86 - Membership Organizations

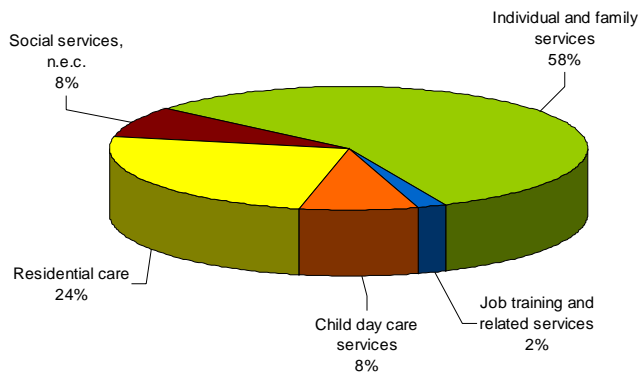
Composition of 1998 employment



Membership organizations employ over 1,000 people in Region 1, constituting approximately 8% of total employment in the region. This compares to a share of around 2.4% statewide, indicating a very high concentration in the region. Employment has been expanding rapidly, as well, as more than 600 jobs were added over the past ten years, for an average annual growth rate of 8%. The industry did experience an artificial drop in employment in 1995 as a result of the reclassification of employment by Native American tribes from membership organizations to state and local government. This impacted the region through employment at facilities in the Trenton Service area, which is home to more than 1,200 members of the Turtle Mountain Band of Chippewas. The industry is otherwise centered on employment in fraternal and social organizations.

SIC 83 - Social Services

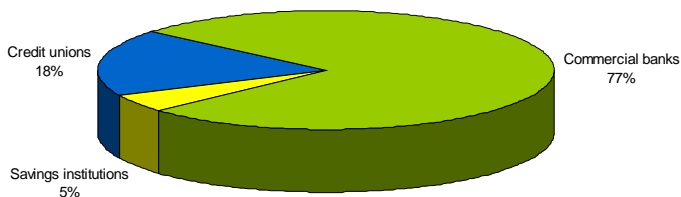
Composition of 1998 employment



Social services employ approximately 500 people in Region 1, accounting for a 3.5% share of total regional employment, compared to around 3%, statewide. While employment grew at an 8% annualized pace from 1988 to 1998, this growth may appear somewhat exaggerated as a result of the small employment base. The fastest growth has been in individual and family services and residential care, both of which have doubled employment over the past ten years. Social services is classified as a dynamic industry due to its rapid growth and increasing concentration in the region. This is not meant to imply that the industry is a driving force in its economic development, but it does indicate rising demand for such services and its role as an employer in the region.

SIC 60 - Depository Institutions

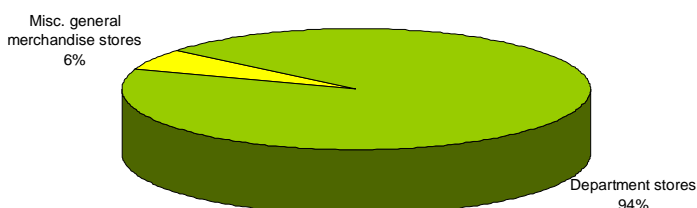
Composition of 1998 employment



Depository institutions employ approximately 380 people in Region 1, accounting for a 2.8% share of overall employment in the region, compared to just under 2% statewide. Employment growth in the industry has been steady, advancing at an annual rate of 1.9% since 1988. While more than three-quarters of industry employment is at commercial banks, credit unions have also been steadily increasing their presence in the region, constituting 18% of industry employment in 1998, up from less than 10% ten years ago.

SIC 53 - General Retail

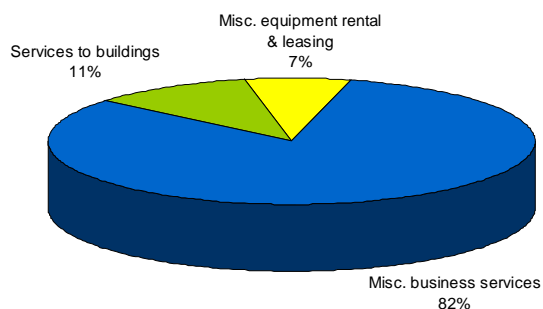
Composition of 1998 employment



General retailers employ 340 people in Region 1, accounting for 2.5% of total regional employment, slightly higher than the 2.3% share at the state level. The industry has added 200 jobs over the past ten years, almost entirely at department stores. This industry includes major discount retailers, such as Wal-Mart and Kmart, which together employ more than 260 people in Williston.

SIC 73 - Business Services

Composition of 1998 employment

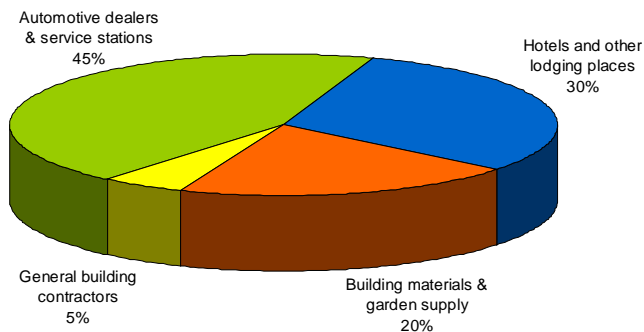


Business services employ more than 300 people in Region 1, accounting for more than 2% of regional employment, compared to 4% statewide. The bulk of this employment is centered on miscellaneous business services, which include telemarketing and data entry. Its rapid growth since 1994 is due to expansion of the Advantage Line telemarketing firm, located in Williston. Of all Region 1's dynamic industries, this is the only one that helps expand its basic economy by creating a service whose market area extends beyond the region and state.

Other dynamic industries in Region 1 include amusement and recreation services and auto service, repairs and parking. An additional nine industries are included in the dynamic industries group, however, they each comprise less than 1% of the workforce and are not profiled in this report.

Region 1 Growing Industries

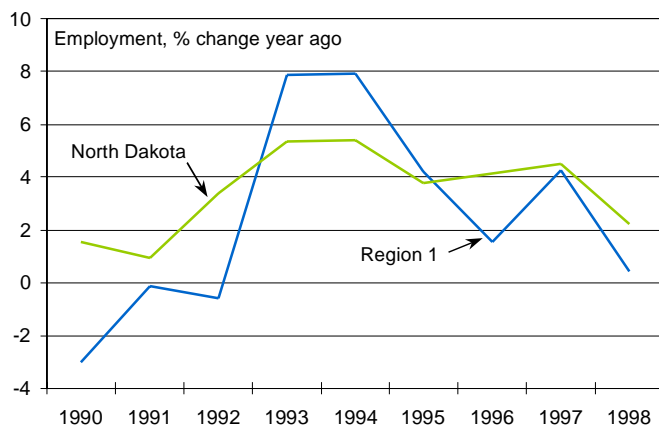
Total 1998 employment = 790



Growing Industries

Only four industries are included in Region 1's growing industries. Together, they employ less than 800 people, comprising less than 6% of total regional employment. The group includes automotive dealers and service stations, hotels and other lodging places, building materials and garden supply stores and general building contractors. This group of growing industries reflects growth of tourism and construction activity in this northwestern corner of the state. Tourism-related industries provide an avenue for the expansion of the regional economy if they attract visitors from outside the region and the state.

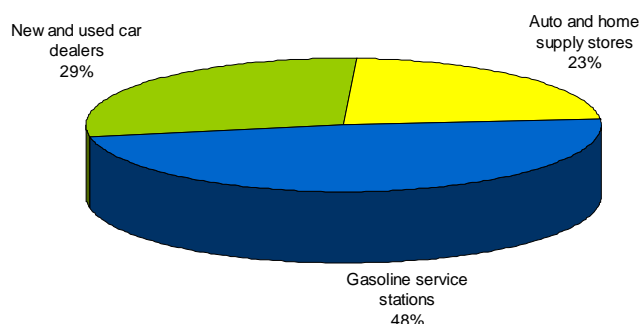
Region 1 Growing Industries



Employment growth in this industry group has followed a similar path as the same group of industries statewide. The industries expanded their employment at an annual pace of 2.2% during the ten-year period, compared to a 3.1% rate for the same group of industries statewide. Within the region, much of the growth took place in 1993 and 1995, but has remained positive since then.

SIC 55 - Automotive Dealers & Service Stations

Composition of 1998 employment

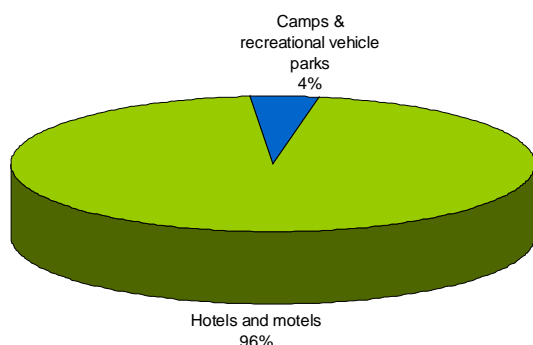


Automotive dealers and service stations

employ more than 350 people in Region 1, accounting for around 2.6% of total employment, in line with the state's average. Employment growth has been steady in the industry, and is concentrated in gasoline and service stations, which accounts for 170 jobs. Growth in this industry reflects expansion in travel and tourism and is also consistent with the steady increase in state vehicle registrations throughout the 1990s. Total state vehicle registrations grew at a 1.6% annualized rate between 1990 and 1996 (most recent data), on par with the national rate of growth.

SIC 70 - Hotels and Other Lodging Places

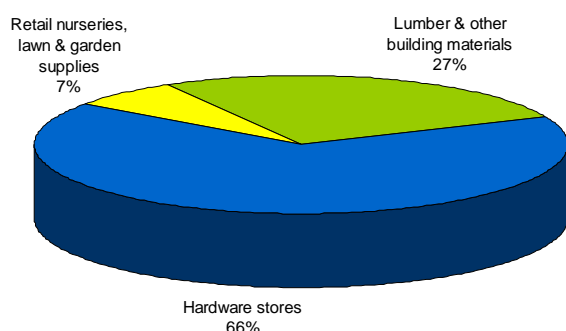
Composition of 1998 employment



Hotels and other lodging places employ over 200 people in Region 1, accounting for 1.8% of total employment, compared to an 1.7% share, statewide. Employment in the industry is primarily in hotels and motels, which account for 96% of industry employment, similar to the statewide trend. Growth in this industry may reflect increased travel and tourism flows to this region that includes historic sites along the Missouri River and a part of the Theodore Roosevelt National Park.

SIC 52 - Building Materials & Garden Supply

Composition of 1998 employment

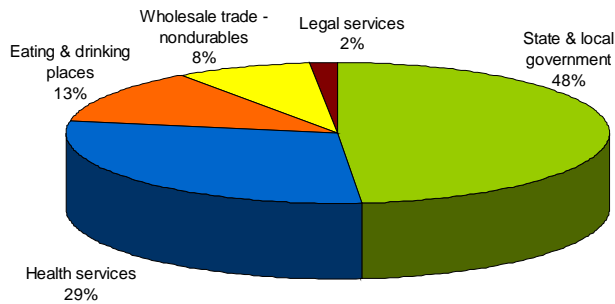


Building materials and garden supply stores employ approximately 160 people in Region 1, accounting for 1.2% of total employment, compared to less than 1%, statewide. Approximately two-thirds of this employment is in hardware stores, compared to merely one-quarter at the state level, where the largest component is building supply stores. This can be attributed to larger demand for hardware goods from the region's large farming population.

General building contractors are also included in Region 1's growing industries group. It comprises less than 1% of the total workforce, however, and is not profiled in this report.

Region 1 Stable Industries

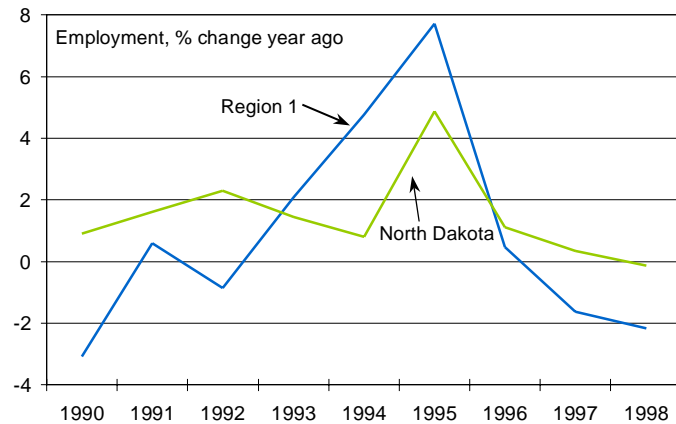
Total 1998 employment = 5,420



Stable Industries

Region 1's stable industries employ over 5,400 people, accounting for 40% of total regional employment. The group includes wholesale trade of nondurable goods, as well as state and local government, whose employment base has been stable over the past four years. While employment in health services has been steadily increasing over the past decade, the industry is losing concentration in the region, as it is expanding more rapidly at the state and national levels. The eating and drinking places industry is also in the group, although its work force has been declining over the past four years. This industry group indicates that the region's largest industries are also among its most stable.

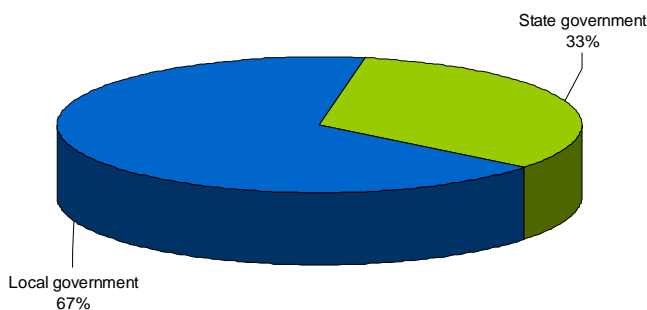
Region 1 Stable Industries



Employment in Region 1's stable industries has been more volatile than the same group of industries statewide. Over the ten-year period, its growth has averaged 1.2% per year, slightly under the 1.5% rate statewide. The same industries nationwide have expanded by 0.2% during the same time period. The group's growth was concentrated at mid-decade when annual job growth surged to nearly 8% in 1995. This is largely due to the reclassification of tribal government employment from membership organizations to local government employment. However, in the early and later years of the decade, its employment declined moderately.

SIC GVSL - State and Local Government

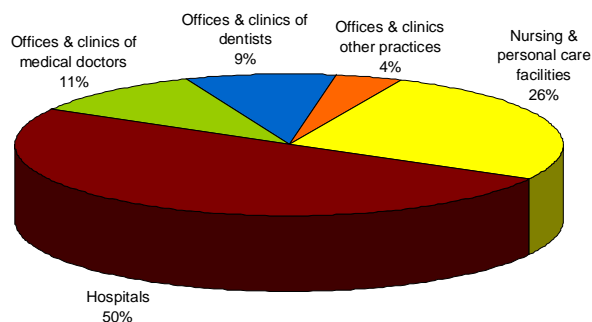
Composition of 1998 employment



State and local government employs more than 2,600 people in Region 1, constituting nearly 20% of total employment in the region, compared to an 18% share of state employment. Local government accounts for the lion's share of this employment, comprising more than three-quarters of employment. Employment in local government includes police, fire and rescue squads, as well as employment at local schools and employment by counties. The state employs more than 600 people in the region, working in state police units, state parks and regional administrative offices. The spike in employment in 1995 is the result of a reclassification of Native American tribal employment on the Fort Berthold Indian Reservation and the Trenton Service area from membership organizations to state and local government.

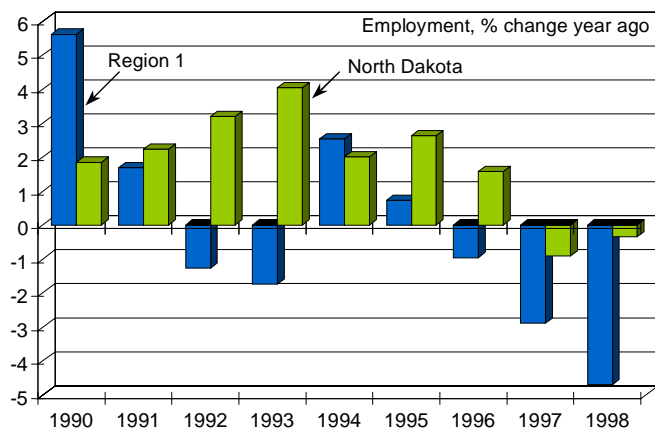
SIC 80 - Health Services

Composition of 1998 employment



Health services employs close to 1,600 people in Region 1, constituting just under 12% of total regional employment, compared to nearly 10% at the state level. Several of the region's top employers are health service providers, including hospitals such as Mercy Medical Center and Tioga Medical Center. As the industry has restructured in order to cut costs, growth of large hospitals has slowed while nursing and personal care industries have expanded. An aging population supports increased demand for these facilities, such as the Bethel Lutheran Home in Williston, which employs more than 200.

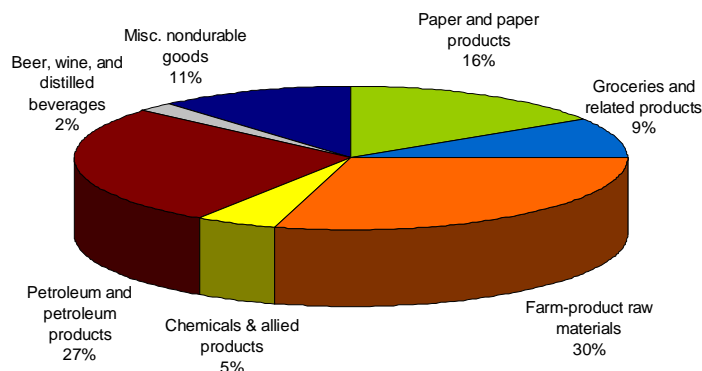
SIC 58 - Eating and Drinking Places



Eating and drinking places employ close to 700 people in the region, constituting 5% of total regional employment, nearly twice the statewide share of 2.7%. Despite strong growth in the first half of the decade, employment in this industry has been declining since 1996, mirroring the recent downturn in regional employment growth. This reflects the procyclical nature of the restaurant industry and is a reflection of the slowing regional economy.

SIC 51 - Wholesale Trade - Nondurables

Composition of 1998 employment

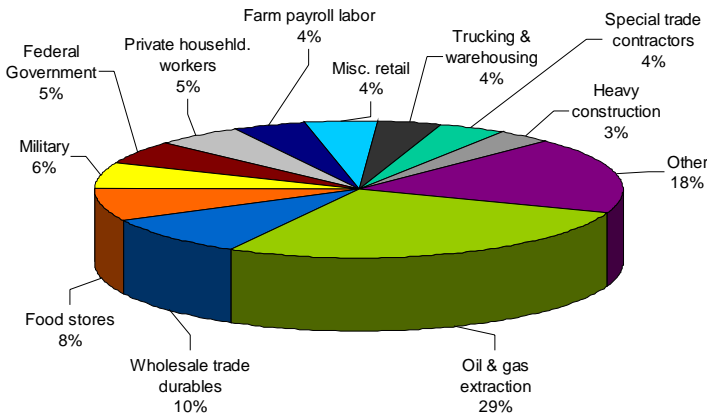


Wholesale trade and distribution of nondurable goods employs more than 400 people in Region 1, accounting for approximately 3.2% of employment. The industry is concentrated in the trade of farm products and groceries, primarily of the region's durum wheat crop. Petroleum and related products are also a major component in the wholesale trade industry, as a result of the local presence of the oil and gas extraction industry.

The **legal services** industry is also part of the stable industry group in Region 1. However, it comprises less than 1% of the workforce and is not profiled in this report.

Region 1 Declining Industries

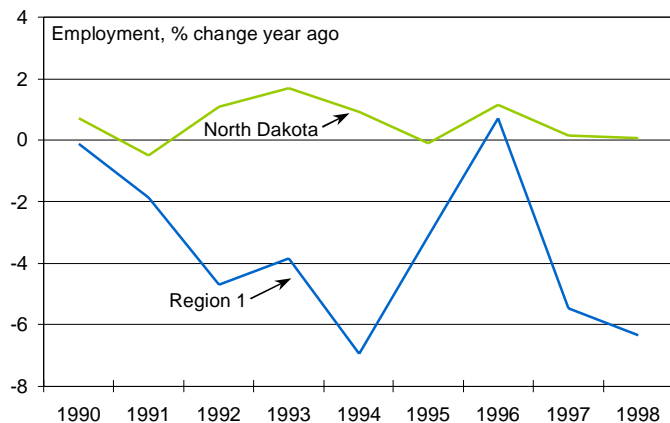
Total 1998 employment = 3,890



Declining Industries

The declining industries in Region 1 employ roughly 3,900 people, accounting for 29% of total regional employment. The largest declining industries are oil and gas extraction, wholesale trade and distribution of durable goods, and food stores. Additionally, private household employment, federal government and the military are included in this group as they have steadily been cutting their payrolls. The declining industry group characterizes the shift away from primary product production and federal government employment. The concentration of declining industries in such basic industries as oil and gas extraction, federal military and civilian employment, and agriculture illustrates a critical weakness in the region because these industries bring income into the region from elsewhere.

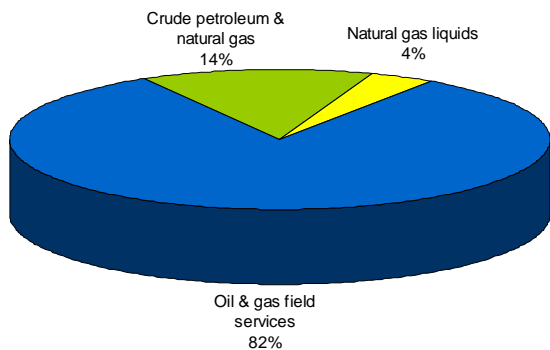
Region 1 Declining Industries



Employment in the region's declining industries has significantly underperformed the same group of industries statewide. Growth recovered somewhat in the mid-1990s as higher oil prices spurred employment growth in the oil and gas extraction industry. Employment in declining industries has been declining at an annual rate of 3.8% over the ten-year period, even as the same industry group has modestly expanded by 0.5% statewide.

SIC 13 - Oil & Gas Extraction

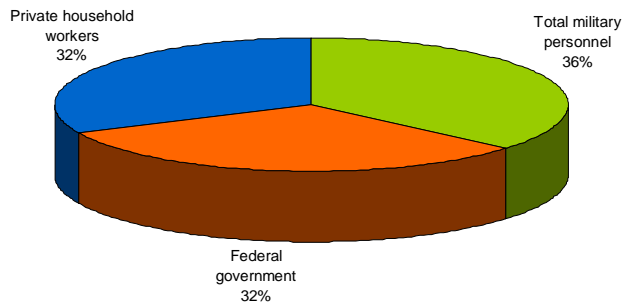
Composition of 1998 employment



Oil and gas extraction employs more than 1,000 people in Region 1, comprising nearly 8% of total regional employment, compared to less than 1% statewide. Employment in this industry is closely tied to global oil prices as it is more expensive to produce oil in the state compared to elsewhere in the world. As a result, it is only profitable to produce oil in high price environments; the pattern of employment in this industry mirrors the oil price cycle.

Special Groups

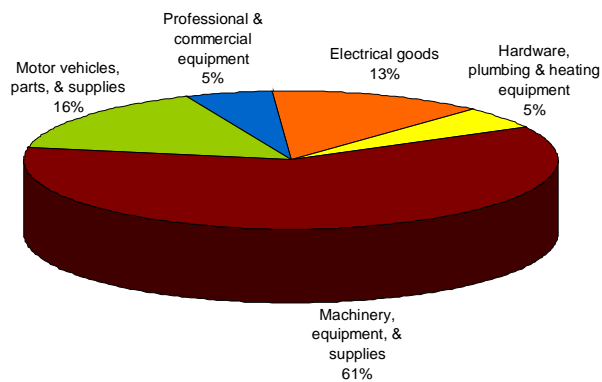
Composition of 1998 employment



Special groups include federal government, military personnel and private household employment in Region 1. Each of these industries employs about 200 people in the region, for a combined 4.7% share of employment. Federal government employment in the region consists mainly of employment with the U.S. Postal Service and the Department of Agriculture. Employment in the sector has been steadily declining throughout the decade. Military and private household employment in the region also have been steadily declining during this period.

SIC 50 - Wholesale Trade, Durables

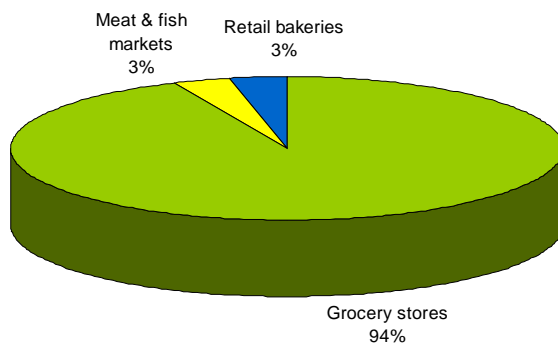
Composition of 1998 employment



Wholesale trade and distribution of durable goods employs less than 400 people in Region 1, comprising approximately 2.8% of total regional employment, compared to more than 3% statewide. Employment in this industry is primarily involved in the trade of machinery, equipment and supplies, which has suffered as a result of the regional agricultural crisis. The industry is also closely tied to oil and gas extraction. Employment in the industry has declined by more than 2.5% over the past decade.

SIC 54 - Food Stores

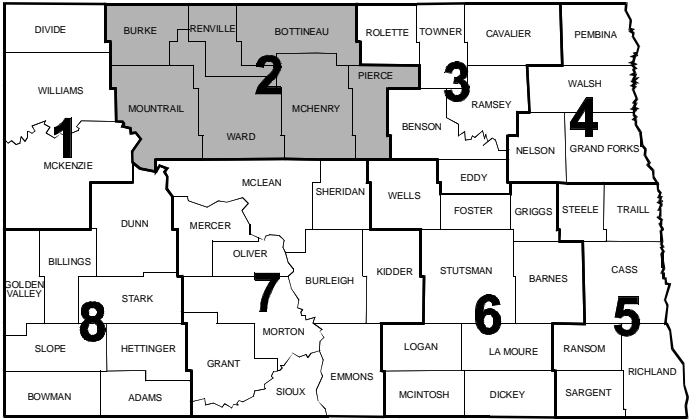
Composition Of 1998 employment



Food stores employ approximately 300 people in Region 1, constituting just over 2% of total regional employment, similar to the statewide level. The majority of employment in this industry is in grocery stores. Employment in this industry has been steadily declining since the early 1990s.

Other declining industries in Region 1 include miscellaneous retail stores, trucking and warehousing, and special trade contractors. Another nineteen industries are also classified as declining in Region 1, although each comprises less than 1% of the region's workforce. The breadth of industries included in the declining industry group is a weakness for the region.

Industrial Composition - Region 2

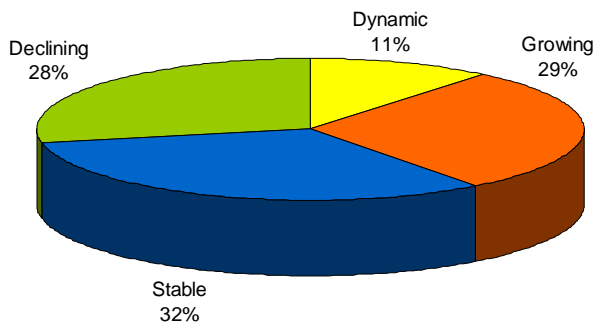


Industrial Composition – Region 2

Region 2 is a seven-county region in the west northcentral part of the state that has more than 88,000 residents or nearly 14% of North Dakota's population. Route 2 and Route 83 link the regional economic center of Minot with Grand Forks and Bismarck, respectively. Minot Air Force Base dominates the region's economy. Region 2 also includes a portion of the Fort Berthold Indian Reservation.

Region 2 Industry Distribution

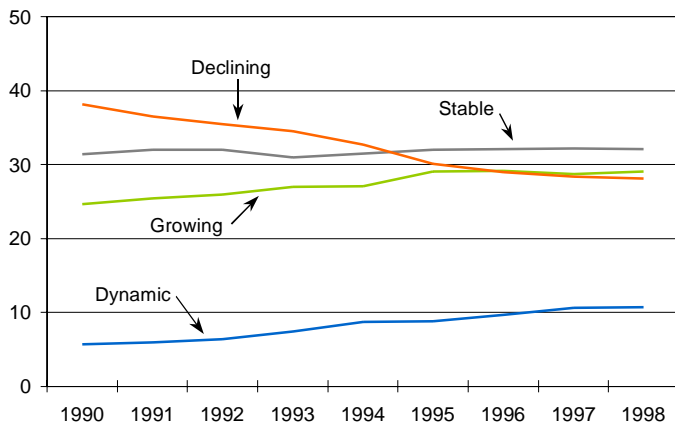
Category share of total 1998 employment



The region accounts for approximately 13% of North Dakota's total employment. The dynamic industries group employs just 11% of the workforce, one of the smallest dynamic group shares of any region. It is made up of service and construction industries. The region's growing industries, however, account for a very large 29% share of employment and are dominated by state and local government, as well as by the retail and tourism industries. Region 2's stable industries account for 32% of total regional employment and include larger industries, such as health services and eating and drinking places. The declining industries account for 28% of regional employment and include such industries as the military and federal government.

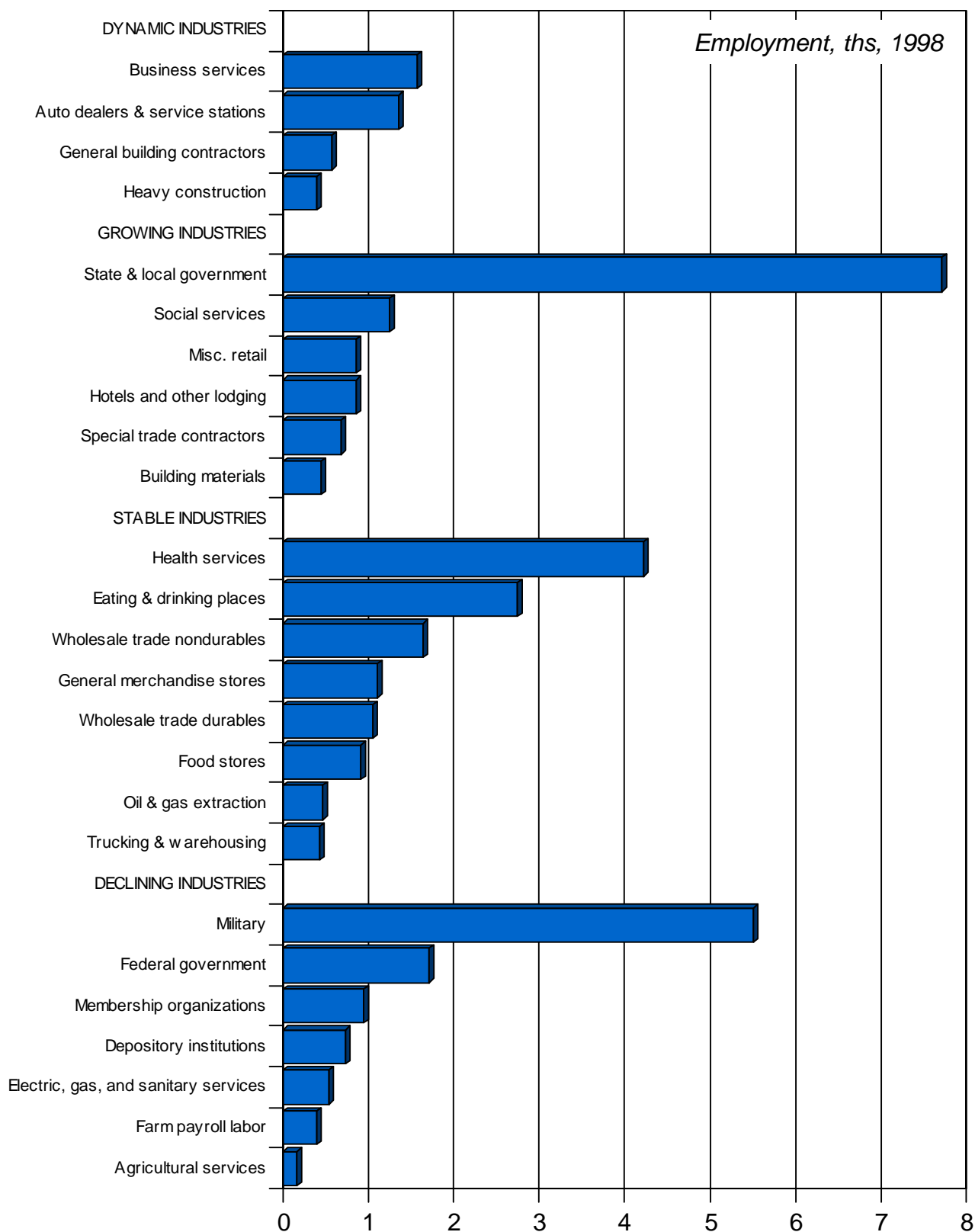
Composition of Region 2 Employment

Category share of total employment



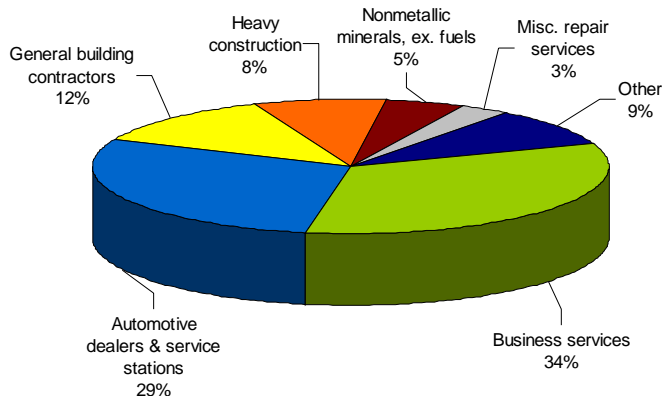
Employment in Region 2's dynamic industries has increased rapidly throughout the decade, with its share of total employment rising from less than 6% of employment in 1990 to nearly 11% in 1998. Conversely, declining industries rapidly decreased as a share of employment during the same period. While accounting for the largest share of employment in 1990, at nearly 40%, the declining industries currently account for less than 30% of total regional employment. Growing and stable industries remained stable during the 1990s, as each slightly increased their share of regional employment and surpassed the declining group of industries.

Region 2 Industry Employment Profile



Region 2 Dynamic Industries

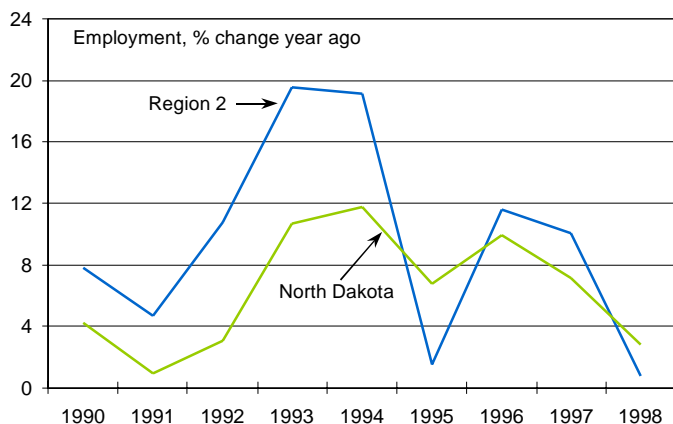
Total 1998 employment = 4,650



Dynamic Industries

Region 2's dynamic industries employ over 4,600 people, comprising approximately 11% of total regional employment. Business services and automotive dealers and service stations have been engines of growth for the region, with the strongest growth in the mid-1990s. Construction industries have also been experiencing generally strong growth, adding jobs at a robust pace throughout the decade. Over the long term, however, of these industries only business services provides potential for expanding the basic economy. The call centers and telemarketing firms in Region 2 generate income from outside of the region, thus expanding the base of the local economy.

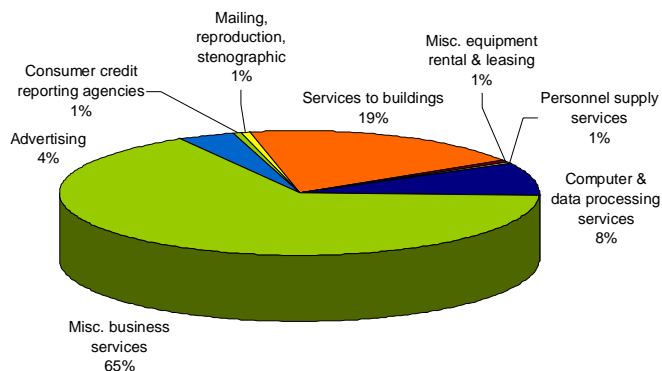
Region 2 Dynamic Industries



Employment in the region's dynamic industries experienced rapid growth in the early part of the decade, handily outpacing the same group of industries nationwide. Growth was strongest in 1993 and 1994, when growth in business services and auto dealers and service stations accelerated. Employment growth in the industry group moderated in 1995, as hiring in business services was muted after posting rapid expansions in the previous two years.

SIC 73 - Business Services

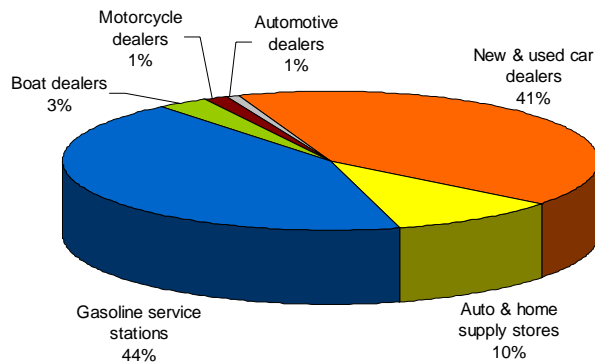
Composition of 1998 employment



Business services employ over 1,500 people in Region 2, constituting approximately 3.6% of total employment in the region, similar to the statewide share of 4%. Employment has been expanding rapidly, as approximately 1,200 jobs were added over the past ten years for an average annual growth rate exceeding 15%. Growth in recent years has been driven by the expansion of Sykes Enterprise, which currently employs more than 600 at its Minot computer support center. Other major employers in the region include telemarketing firms Web800 Inc. and Midwest Telemark, as well as a Choice Hotels International reservations center.

SIC 55 - Automotive Dealers & Service Stations

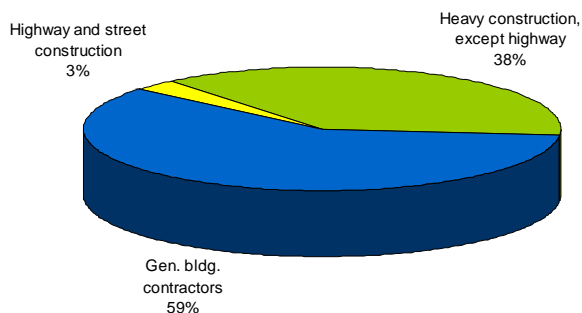
Composition of 1998 employment



Automotive dealers and service centers employ approximately 1,350 people in Region 2, accounting for more than 3.1% of overall employment in the region, compared to 2.7% statewide. Employment growth in the industry has been steady, advancing at an annual rate of nearly 4% since 1988. The industry is mostly concentrated in new and used car dealerships and gasoline and service stations.

SIC 15 & 16 - Construction

Composition of 1998 employment

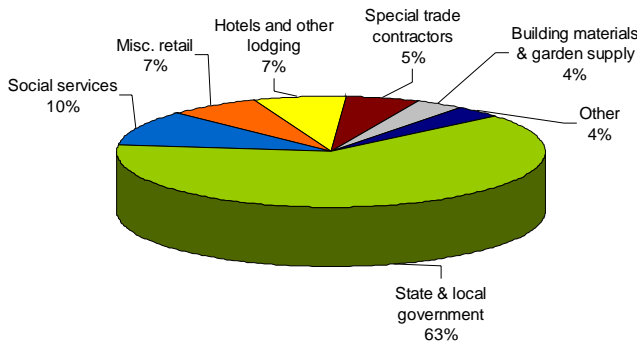


Construction industries include general building contractors and heavy construction, excluding buildings. The industries employ nearly 1,000 people in Region 2, accounting for about 2.3% of total regional employment, similar to the share captured by the same group of industries statewide. General building contractors constitute the largest share of the industry and have experienced consistently strong growth throughout the decade. The heavy construction industry has also demonstrated strong growth throughout the decade. Growth was strongest in mid-decade, corresponding to the stronger employment growth during this period.

Other dynamic industries in Region 2 include nonmetallic minerals, excluding fuels; miscellaneous repair services; apparel and other textile products; fabricated metal products; miscellaneous manufacturing industries; transportation services; transportation by air and security and commodity brokers. They each comprise less than 1% of the workforce, however, and are not profiled in this report.

Region 2 Growing Industries

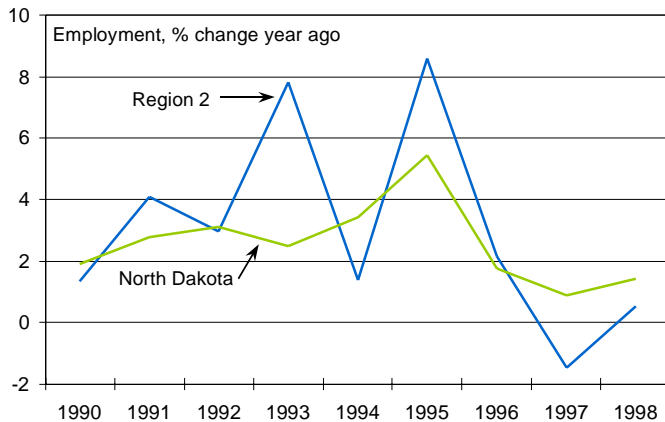
Total 1998 employment = 12,590



Growing Industries

Region 2's growing industries employ well over 12,000 people, comprising 29% of regional employment. The same group of industries statewide accounts for just over 15% of total employment. The group includes the large state and local government sector, as well as social services, retail trade and hotels. The growing industry group indicates the increased demand for retail and social services as well as increased tourism in the region.

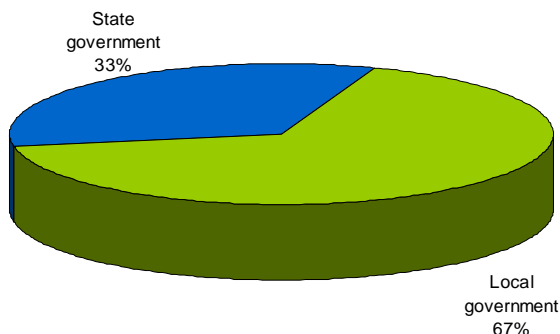
Region 2 Growing Industries



Employment growth in the industry group has been more volatile than the same group of industries statewide. The industries expanded their employment at an annual pace of 2.8% during the ten-year period, compared to a 2.5% rate for the same group of industries statewide. Within the region, much of the growth took place in 1993 and 1995, with a slight decline in 1997.

SIC GVSL - State and Local Government

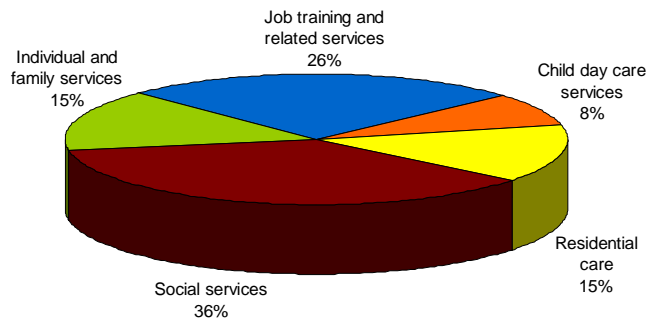
Composition of 1998 employment



State and local government employs around 7,700 people in Region 2, accounting for nearly 18% of total regional employment, in line with the statewide share. Local government accounts for the lion's share of this employment, comprising approximately two-thirds of employment in the sector. The state employs more than 2,500 people in the region. The increase in employment in 1995 was due to the reclassification of tribal employment on Indian reservations from membership organizations to state and local government. While this industry group is large and growing, it does not expand the basic economy of the region as it simply recycles local tax dollars back into the region.

SIC 83 - Social Services

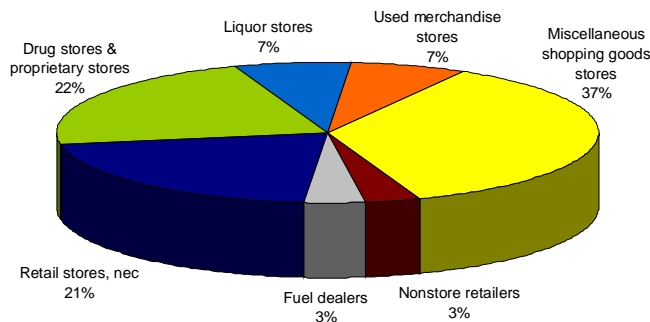
Composition of 1998 employment



Social services employ more than 1,200 people in Region 2, constituting nearly 3% of total regional employment, in line with the state average. Regionally, the industry has added jobs at a better than 6% pace over the past decade, in line with the statewide pace. Job training and related services have grown steadily throughout the 1990s, through the expansion of the Minot Vocational Workshop and Recycling Center. The fact that the social services industry is part of the growing industry group indicates rising demand for services such as child day care, job training, and family services. Although these services are a necessary component of an expanding economy, they are not considered to be drivers of economic growth.

SIC 59 - Miscellaneous Retail

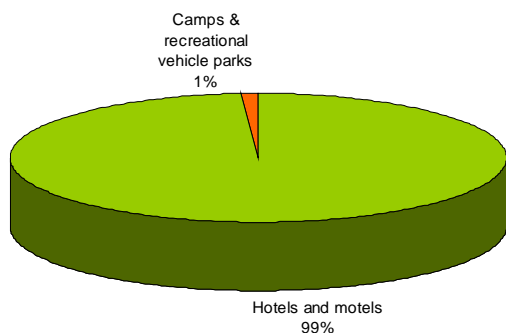
Composition of 1998 employment



Miscellaneous retailers employ approximately 850 people in Region 2, comprising nearly 2% of total regional employment, similar to the statewide share. Miscellaneous retailers include drug stores, liquor stores and resale shops, as well as other sundry retail shops. Growth in this industry is consistent with the expansion of retail establishments statewide.

SIC 70 - Hotels and Other Lodging Places

Composition of 1998 employment

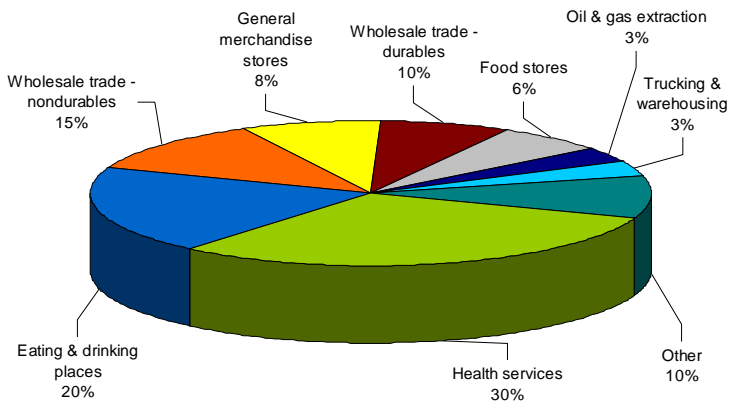


Hotels and other lodging places employ over 800 people in Region 2, accounting for just under 2% of total employment, compared to a 1.7% share statewide. Employment in the industry is overwhelmingly centered on hotels and motels, which account for 99% of industry employment. The industry has added jobs at a healthy 2% average pace over the ten-year period, however this growth was characterized by rapid expansion until the mid-1990s, followed by a rapid descent. The industry has been adding jobs again since 1996. Hotels can be considered part of the basic economy if they serve clientele from outside the region and the state.

Other growing industries in Region 2 include hotels and building materials and garden supply stores. Additionally, amusement and recreation services; furniture, home furnishings and equipment stores; and insurance carriers are also included in the growing industries group. They each comprise less than 1% of the workforce, however, and are not profiled in this report.

Region 2 Stable Industries

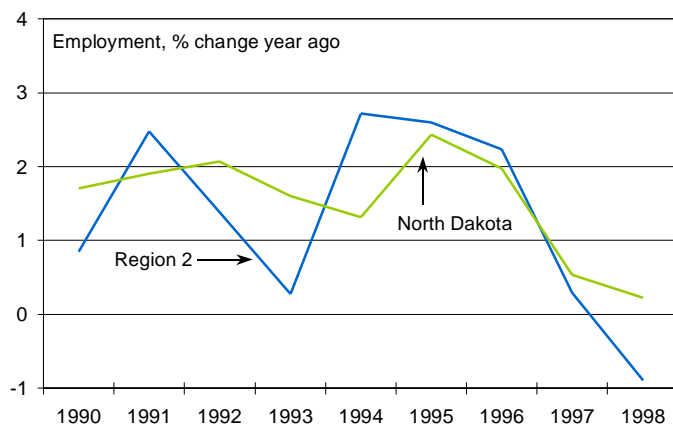
Total 1998 employment = 13,900



Stable Industries

Region 2's stable industries employ around 13,900 people, accounting for 32% of total regional employment, similar to the share held by the same group of industries statewide. The stable industries include the region's major support industries, such as health services and retail establishments, as well as wholesale trade. These industries are generally non-basic industries. In other words, they support the local economy but they do not contribute to its underlying expansion.

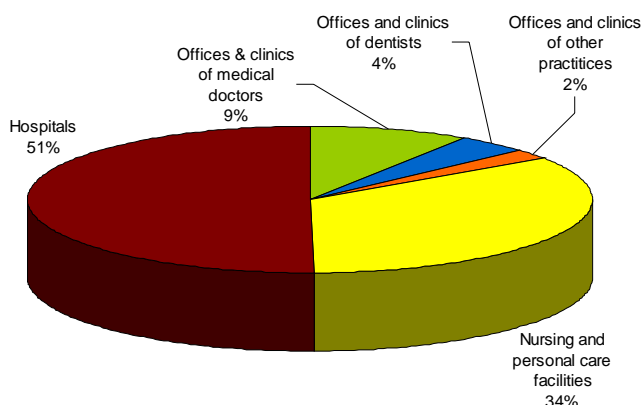
Region 2 Stable Industries



Employment in Region 2's stable industries has been more volatile than the same group of industries statewide. Over the ten-year period, growth among stable industries has averaged 1.2% per year, slightly under the 1.5% rate for the same group of industries statewide. The industries experienced stronger growth in the mid-1990s owing to strength in the health services industry. However, weakness in the wholesale trade of durable goods and eating and drinking places have caused the stable industries' employment growth to slow in recent years.

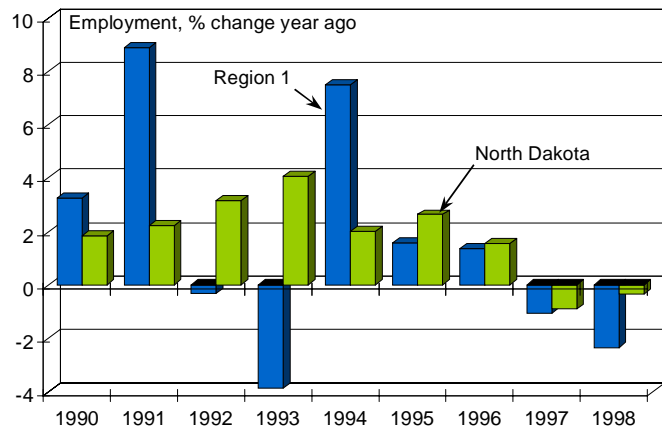
SIC 80 - Health Services

Composition of 1998 employment



Health services employ more than 4,200 people in Region 2, comprising nearly 10% of total regional employment, in line with the statewide share. Several of the region's top employers are health service providers, including hospitals such as Trinity Medical Center and Behavioral Health Services, both in Minot. Additionally, an aging population is raising demand for nursing and residential care facilities, such as Trinity Nursing Home.

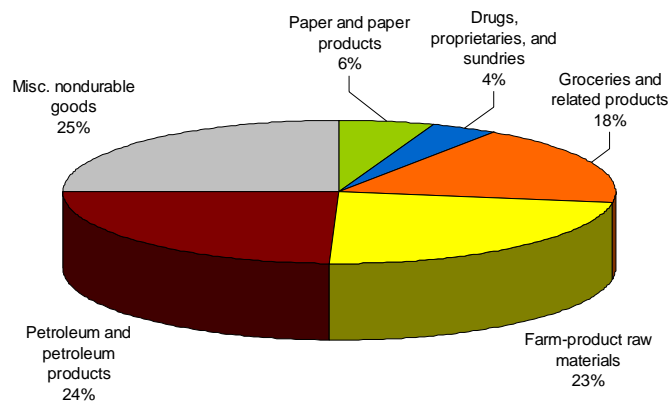
SIC 58 - Eating and Drinking Places



Eating and drinking places employ more than 2,700 people in Region 2, accounting for more than 6% of regional employment, similar to the statewide average. While enjoying modest growth throughout most of the decade, employment in this industry has been declining since 1997, mirroring the downturn in regional employment growth. Most employment in this industry is located in Ward County, where the regional center of Minot is located.

SIC 51 - Wholesale Trade, Nondurables

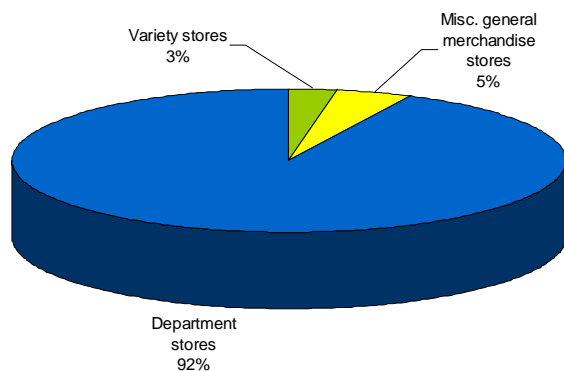
Composition of 1998 employment



Wholesale trade and distribution of nondurable goods employs more than 1,600 people in Region 2, comprising approximately 3.8% of total regional employment, compared to about 3% statewide. The trade of farm products and groceries is an important component of the industry, primarily of the region's wheat crops. Petroleum and related products are also a major component, as a result of the local presence of the oil and gas extraction industry.

SIC 53 - General Merchandise Stores

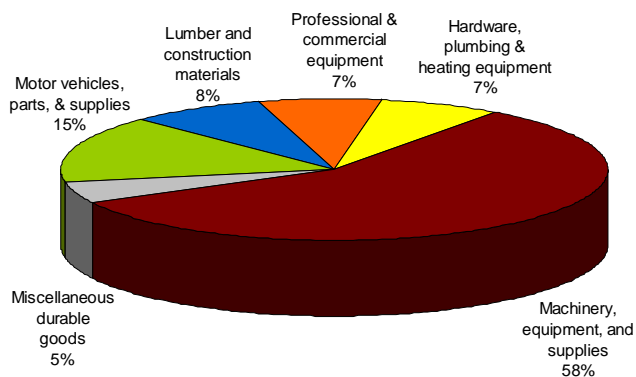
Composition of 1998 employment



General merchandise stores employ over 1,100 people in Region 2. The industry accounts for a 2.5% share of total regional employment, compared to a 2.3% share statewide. Within the industry, department stores comprise the lion's share of employment, including such stores as Wal-Mart and Kmart, which have locations in Minot.

SIC 50 - Wholesale Trade, Durables

Composition of 1998 employment

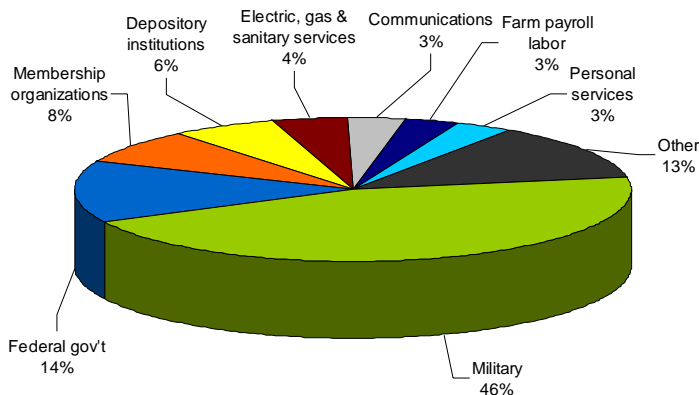


Wholesale trade and distribution of durable goods employs more than 1,000 people in Region 2, accounting for approximately 2.4% of employment. This compares to a share of total employment of over 3% for the industry statewide. Trade is principally centered on the region's machinery and equipment manufactures such as those produced by the Northrop Dakota Manufacturing Plant in New Town.

Other stable industries in Region 2 include food stores, oil and gas extraction, and trucking and warehousing. Additionally, private household workers; apparel and accessory stores; real estate brokers; insurance agents, brokers and services; and stone, clay and glass products are included in the stable industries group. They each comprise less than 1% of the workforce, however, and are not profiled in this report.

Region 2 Declining Industries

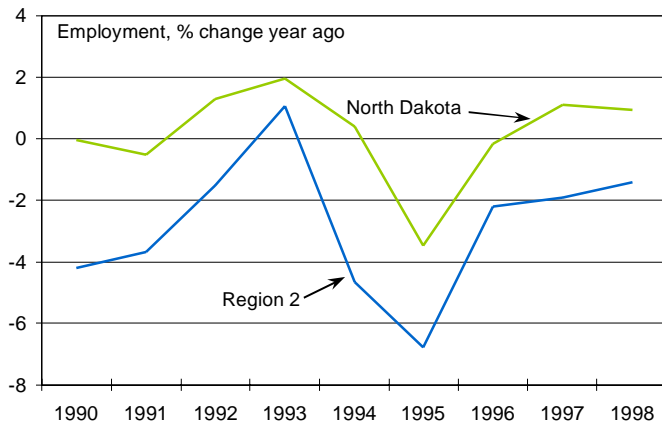
Total 1998 employment = 12,190



Declining Industries

The declining industries in Region 2 employ more than 12,000 people, accounting for 28% of total regional employment. The same group of industries statewide accounts for nearly 25% of total employment. The largest declining sectors are the military and federal government, which substantially cut back their payrolls in the early 1990s, due to realignments at Minot Air Force Base. The regional agricultural crisis has also led to a steady decline in farm proprietorships and farm employment in the region. The loss of federal military and civilian employment and the falloff in agriculture all indicate a shrinkage in Region 2's basic economy.

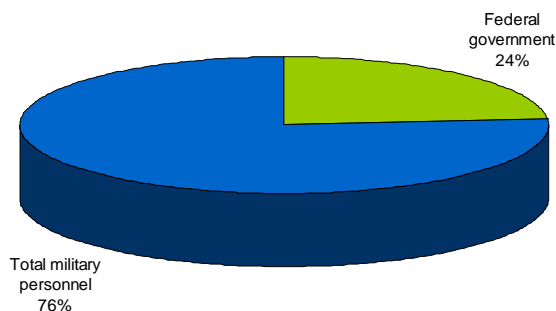
Region 2 Declining Industries



Employment in the region's declining industries has consistently underperformed the same group of industries statewide. Employment in the industry group has been declining at an annual rate of nearly 3% over the ten-year period, even as employment in the same group of industries has remained generally unchanged at the state level.

Military and Federal Government

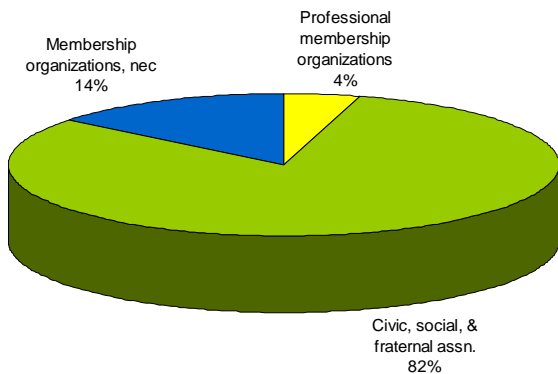
Composition of 1998 employment



The military and federal government employs approximately 7,200 people in the region, together accounting for nearly 17% of total regional employment. Statewide, these sectors comprise just over 7% of total employment. Military employment has been affected by realignments throughout the decade. At the height of its operation in 1995 when the 72nd division was activated at Minot Air Base, the number of personnel on base reached nearly 13,000. However, this division was deactivated in 1997, costing the base 1,600 jobs. Volatility at the base impacts the region through the loss of jobs in supporting industries, such as retail trade and services, which serve personnel at the base. Federal government civilian employment in the region is centered on postal service employment as well as the Department of Agriculture and the Department of the Interior.

SIC 86 - Membership Organizations

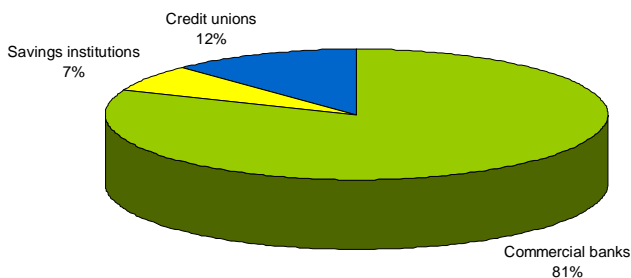
Composition of 1998 employment



Membership organizations employ more than 900 people in Region 2, accounting for more than 2% of regional employment, in line with the state average. The industry is largely comprised of fraternal and social organizations. Employment in the industry has been declining at an annualized rate of more than 3.6% per year, though this can be attributed to the reclassification of tribal employment at Fort Berthold Indian Reservation from membership organizations to local government.

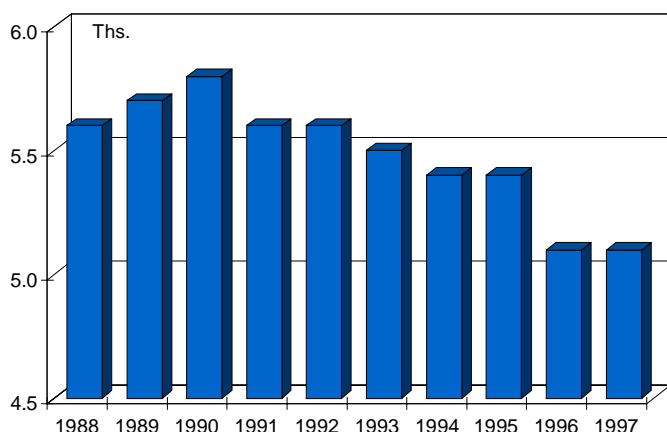
SIC 86 - Depository Institutions

Composition of 1998 employment



Depository institutions employ more than 700 people in Region 2, accounting for less than 1.7% of total regional employment, similar to the statewide average. While commercial banks have demonstrated steady growth throughout the decade, this growth has not been sufficient to offset the attrition of savings institutions and credit unions. Savings institutions currently comprise around 7% of industry employment, down from around 25% in 1988.

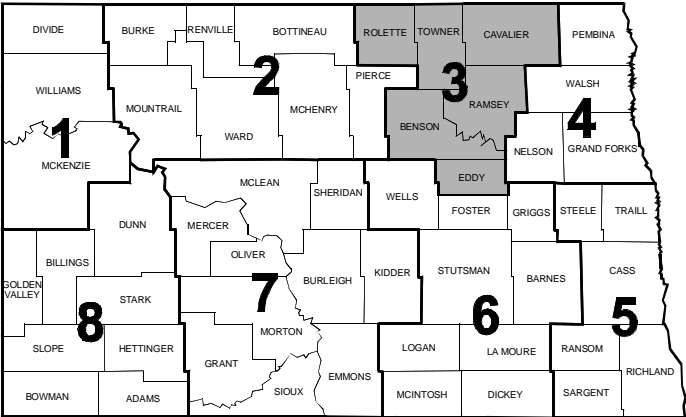
Farm Proprietorships



Farm proprietorship in Region 2 has also been declining throughout the 1990s. There are just over 5,000 farm proprietors in the region, down from more than 5,700 at the start of the decade. The region accounts for nearly 16% of total state proprietors. This steady decline indicates the effects of weak pricing and excess production that have constrained farmers' bottom lines in recent years. As a result, many farmers have been forced to consolidate or declare bankruptcy. Similarly, as farm proprietors have been increasingly constrained, demand for **farm payroll labor**, which accounts for just under 1% of Region 2's workforce, has declined.

Other declining industries in Region 2 include electric, gas, and sanitary services; and communications. Another sixteen industries in Region 2 are classified as declining, yet none of them accounts for more than 1% of the region's workforce. The breadth of industries included in the declining industry group is a weakness for the region.

Industrial Composition - Region 3



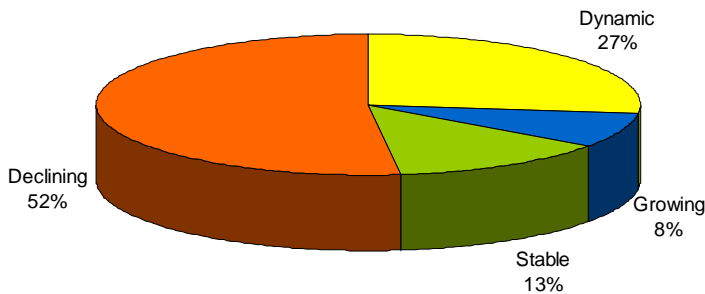
Industrial Composition – Region 3

Region 3 is a six-county region in the east northcentral part of the state that has more than 44,000 residents or nearly 7% of North Dakota's population. The region accounts for approximately 5% of North Dakota's total employment. The largest town is Devils Lake and the region includes the Spirit Lake and Turtle Mountain Indian Reservations. U.S. Route 2 traverses the region from east to west. This region, which is the poorest in the state, is suffering from a rise in the water level of Devils Lake that has led to persistent flooding throughout the latter half of the 1990s, prompting frequent evacuations in the area. Proposals for an outlet for the lake's overflow are still being considered.

The economic difficulties of this region are illustrated by the distribution of the four broad groups of industries. Over half of employment in the region is found within declining industries. The region's declining industries include such large employers as state and local government and health services. No other region has more than 30% of its employment in declining industries. The region's growing industries account for only 8% of employment; the group consists of retail, construction, and tourism. Region 3's stable industries account for 13% of total employment and include larger industries, such as educational and social services and the federal government.

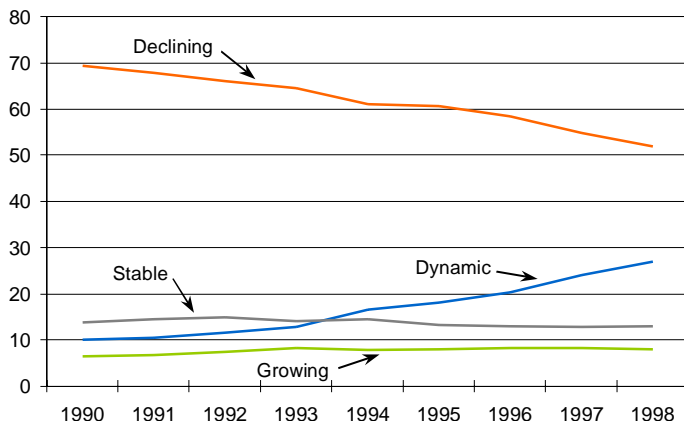
Region 3 Industry Distribution

Percent share of total 1998 employment



Composition of Region 3 Employment

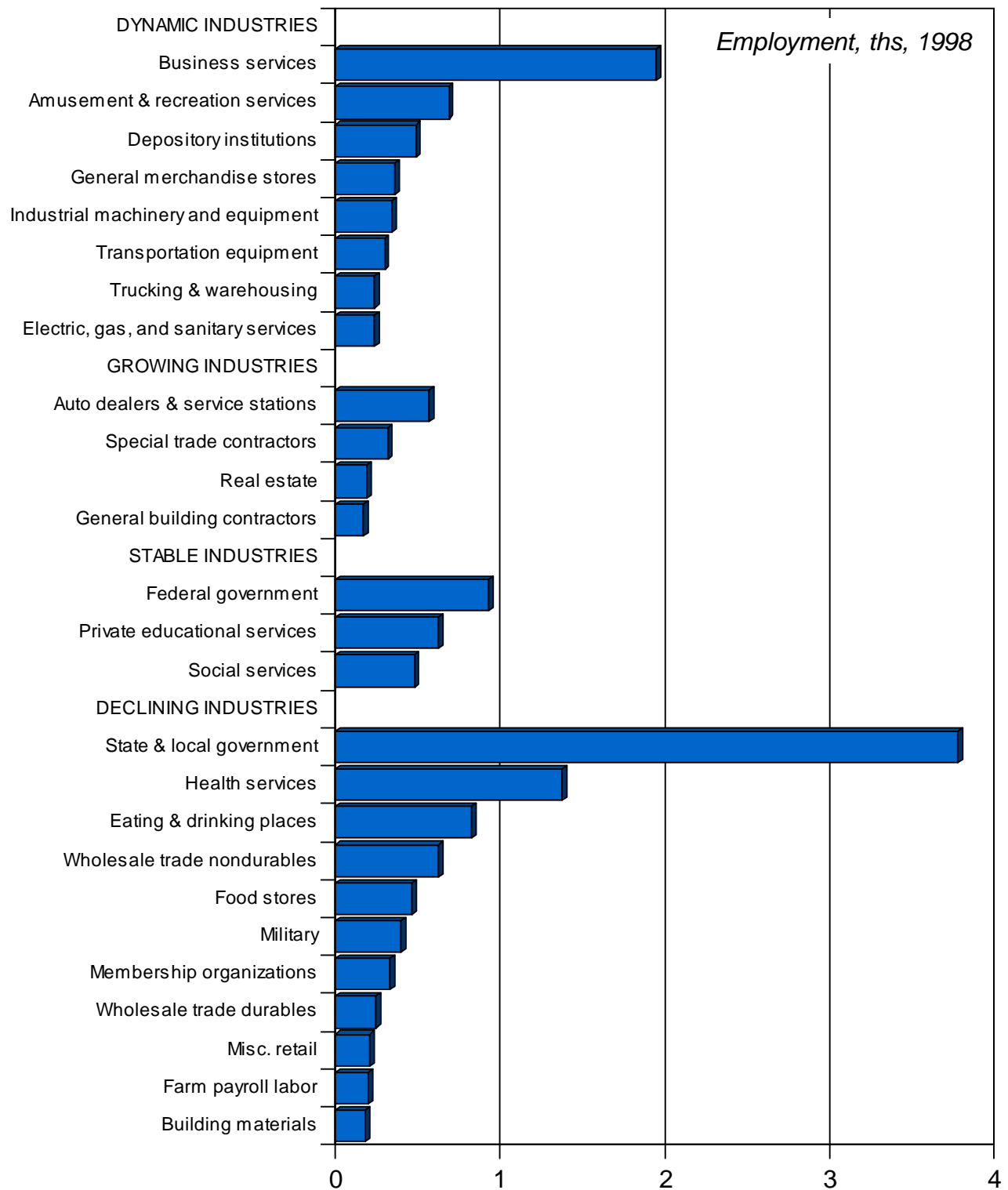
Category share of total employment



Region 3's dynamic industries account for more than one-fourth of total employment, and their growth accelerated during the second half of the past decade. Thus, their share of total employment rose from roughly 10% of employment in 1990 to 27% in 1998. This growth has been matched by a corresponding decrease in the share of employment held by declining industries. While the declining industries group still accounts for a majority of the region's employment, its share has fallen from a whopping 70% at the start of the decade to just over half at the close of the decade. The growing and stable industries remained relatively small but stable during the 1990s, as each slightly increased their share of regional employment during the decade.

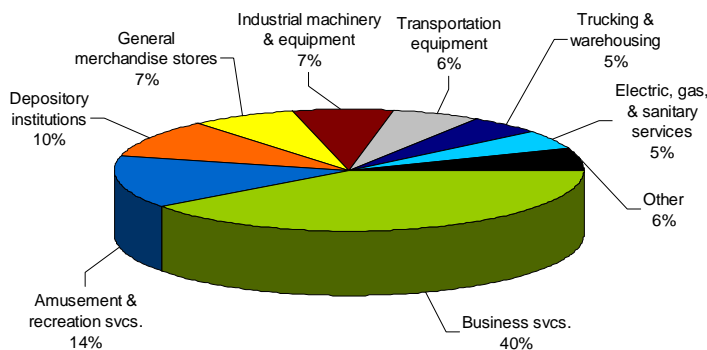
On the upside, however, Region 3's dynamic industries employ 27% of its workforce. This is the largest share for a dynamic industry group in any of North Dakota's eight regions. The large size of Region 3's declining and dynamic groups is illustrative of a regional economy in transition.

Region 3 Industry Employment Profile

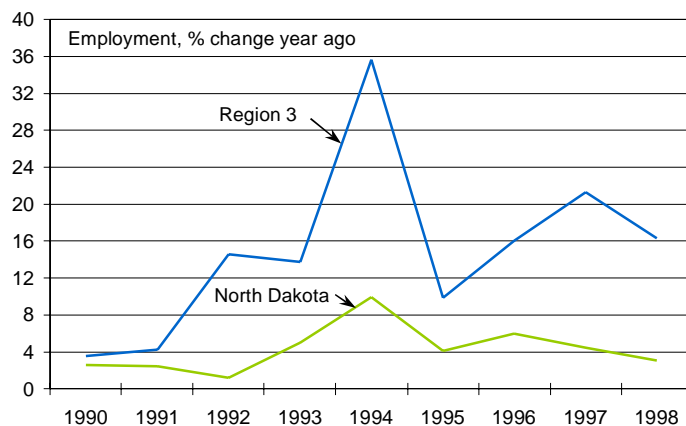


Region 3 Dynamic Industries

Total 1998 employment = 4,880

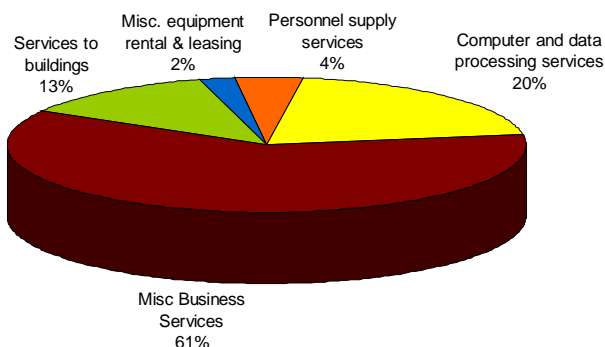


Region 3 Dynamic Industries



SIC 73 - Business Services

Composition of 1998 employment



Dynamic Industries

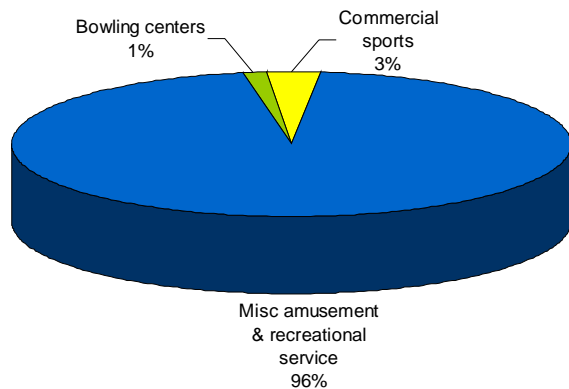
Region 3's dynamic industries employ nearly 5,000 people. Its 27% share of regional employment is much larger than its 17% share statewide. This expanding group of dynamic industries speaks to some renewed economic growth in the region as disappearing jobs in the old declining industries are replaced with new jobs within the region's dynamic industries, particularly on Indian reservations. Job creation within these dynamic industries has made it the third-fastest growing region over the past decade in terms of employment growth. Business services have been the primary engine of growth for the region, tripling employment since 1995. The opening of casinos on Indian reservations has also served to boost tourism-related services, particularly amusement and recreation services. Durable goods manufacturing, including industrial machinery and transportation equipment has also grown steadily throughout the decade. The expansion of business services, particularly telemarketing, represents an expansion of the region's basic economy. Amusement and recreation services also may contribute to the basic economy, to the extent that the industry serves visitors from outside the region and the state. Region 3 also has two manufacturing industries that are dynamic, indicating a more diverse nature of its broadening basic economy.

Employment in the region's dynamic industries has experienced consistently solid growth throughout the decade. The strongest gains were posted in 1994, when employment in amusement and recreation services doubled as a result of casino openings on Indian reservations. Strong growth in the last half of the decade has been driven by the rapid expansion of business services, led by the growth of data processing services offered by Uniband, Inc. Employment growth in the dynamic industry group moderated in 1995, as hiring in amusement and recreation services was more muted.

Business services employ nearly 2,000 people in Region 3, constituting approximately 11% of total employment in the region, much higher than the statewide share of 4%. Employment has been expanding rapidly over the past five years, as approximately 1,800 jobs were added since 1994. Growth in recent years has been driven by the expansion of Uniband Inc., which currently employs as many as 500 at its Belcourt data entry and computer support center. The company is wholly owned and operated by the Turtle Mountain Band of Chippewa Indians, providing important job opportunities on the Indian reservation. Other business services in the region include ACI telemarketing in Devils Lake.

SIC 79 - Amusement & Recreation Services

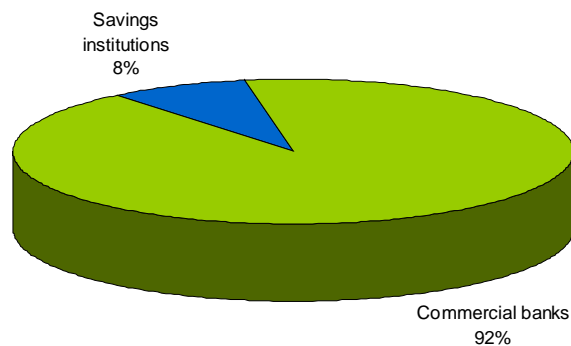
Composition of 1998 employment



Amusement and recreation services employ approximately 700 people in Region 3, accounting for roughly 4% of overall employment in the region, compared to just over 1% statewide. Employment growth in the industry soared in 1994, as legislation permitted the opening of several gaming centers on Indian reservations in the region, including the Turtle Mountain Bingo Palace in Belcourt that employs more than 250. Employment at casinos is categorized as miscellaneous amusement and recreation services, explaining the dominance of this industry segment.

SIC 60 - Depository Institutions

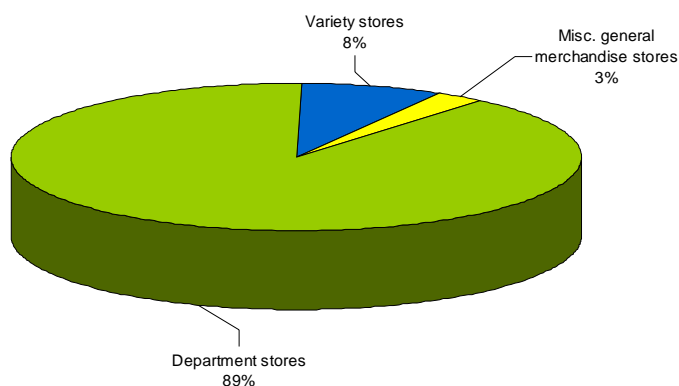
Composition of 1998 employment



Depository institutions employ approximately 500 in Region 3, accounting for about 2.7% of total regional employment, compared to less than 2% statewide. Employment in this industry is overwhelmingly concentrated in commercial banks, which have added 150 positions since 1988, an average annual rate more than 4% per year. Growth of the banking industry is indicative of the region's expansion since mid-decade.

SIC 53 - General Merchandise Stores

Composition of 1998 employment

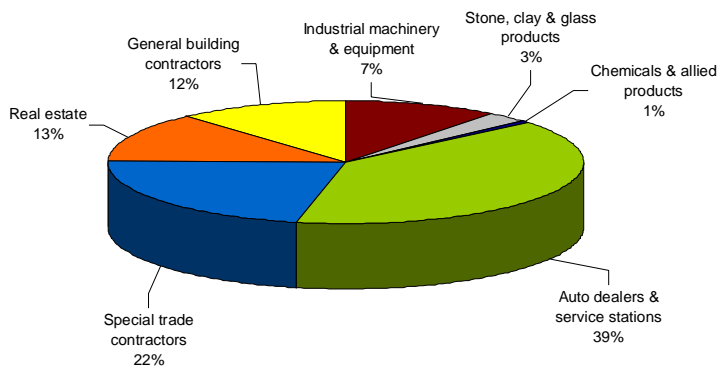


General merchandise stores employ just under 400 people in Region 3, constituting approximately 2% of total employment, slightly less than the statewide share. Within the industry, department stores comprise the lion's share of employment, including such stores as Wal-Mart and Kmart, which have locations in Minot. This industry has not only increased employment over the decade, its share of total employment in the region is increasing as well. As the region continues to expand into services industries, demand for retail outlets will increase.

Other dynamic industries in Region 3 include industrial machinery and equipment manufacturing, transportation equipment manufacturing, trucking and warehousing, and electric, gas and sanitary services. Additionally, the communications, heavy construction, security and commodity brokers, and coal mining industries are a part of the dynamic industries group. They each comprise less than 1% of the workforce, however, and are not profiled in this report.

Region 3 Growing Industries

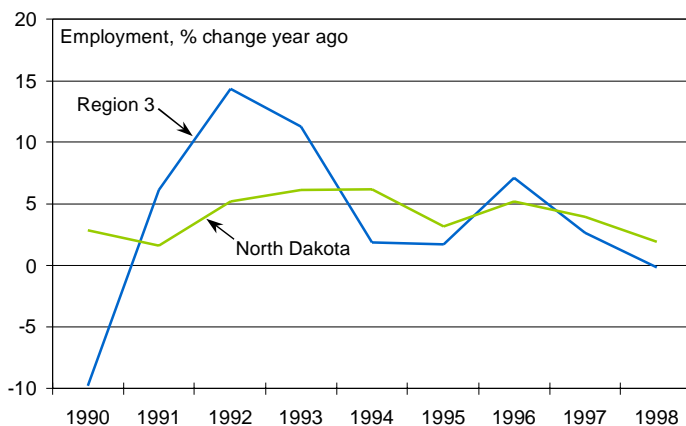
Total 1998 employment = 1,440



Growing Industries

Region 3's growing industries employ just over 1,400 people, comprising only 8% of regional employment, similar to the statewide share for the same group of industries. The group includes various construction-related industries, hotels and auto retailers. The growing industries characterize the region's shift toward casinos, and related hotels and lodging, as well as the construction industry that supports this growth. Because many of these industries simply support others, they do not directly serve to expand the economy. The one component of this group that has this potential is hotels and lodging, if the industry attracts visitors from outside the region and the state.

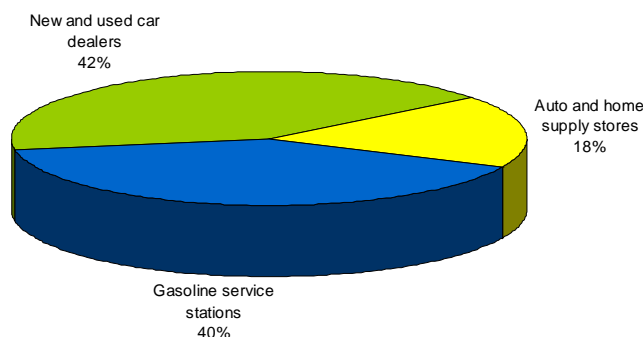
Region 3 Growing Industries



Employment growth in the growing industry group has been more volatile than the same group of industries statewide. This volatility can be attributed to the small base of employment in growing industries, which tends to exaggerate growth rates. The industries expanded their employment at an annual pace of 3.8% during the ten-year period, similar to the rate for the same group of industries statewide. Within the region, much of the growth took place early in the decade, while experiencing more stable growth thereafter.

SIC 55 - Automotive Dealers & Service Stations

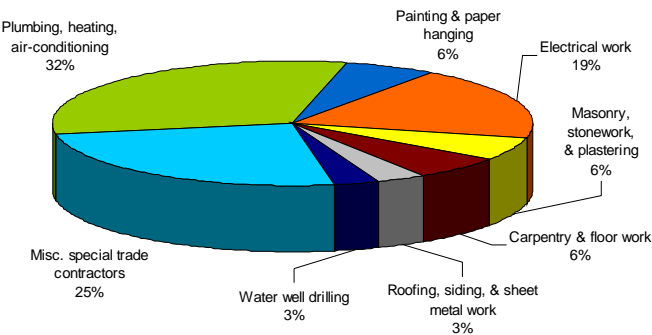
Composition of 1998 employment



Automotive dealers and service stations employ around 570 people in Region 3, accounting for nearly 4% of total regional employment, slightly higher than the statewide share of just under 3%. Employment growth has been steady and is concentrated in gasoline and service stations, which accounts for 170 jobs. Growth in this industry reflects expansion in travel and tourism generated by the casinos and also is consistent with the steady increase in state vehicle registrations throughout the 1990s.

SIC 17 - Special Trade Contractors

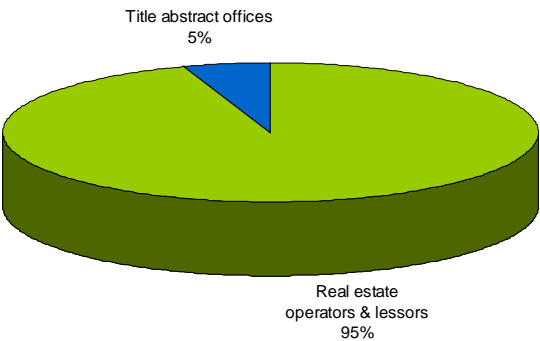
Composition of 1998 employment



Special trade contractors employ more than 300 people in Region 3, comprising 1.7% of total regional employment, less than the statewide share of 2.4%. The industry has added more than 100 jobs over the past decade, an average annual pace of over 5%. Strongest growth has been demonstrated by the plumbing, heating and air conditioning and miscellaneous special trade segments, which together account for a majority of industry employment. Moreover, these two segments of the construction industry generally pay higher wages than general carpentry, roofing and others.

SIC 65 - Real Estate

Composition of 1998 employment

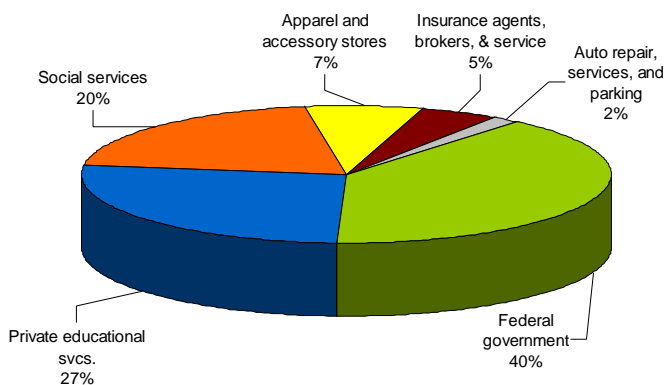


Real estate employs less than 200 people in Region 3, comprising just over 1% of total regional employment, slightly larger than the statewide share. Industry employment is concentrated in the real estate operator and lessor segment, which has grown steadily throughout the decade, doubling employment since 1988.

Other growing industries in Region 3 include general building contractors; hotels and other lodging places; stone, clay and glass products; and auto dealers and service stations. They each comprise less than 1% of the workforce, however, and are not profiled in this report.

Region 3 Stable Industries

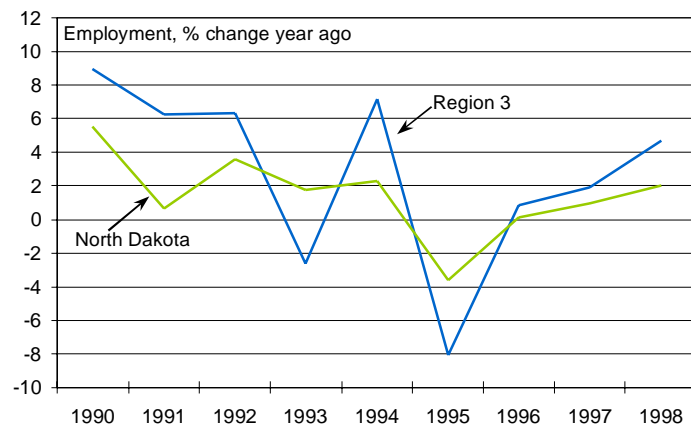
Total 1998 employment = 2,350



Stable Industries

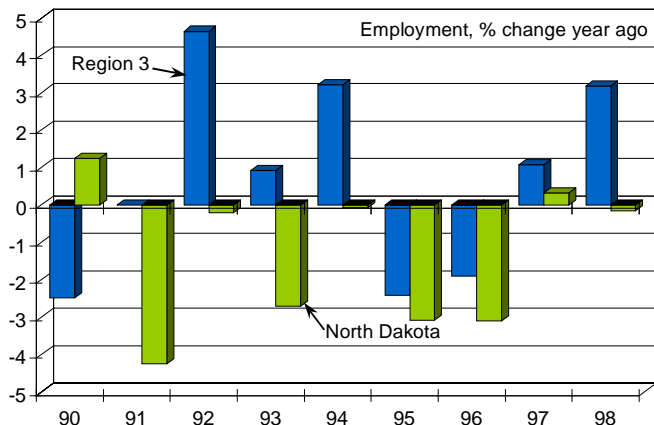
Region 3's stable industries employ more than 2,300 people, accounting for 13% of total regional employment, compared to 8% for the same group of industries, state-wide. The stable industries include the region's major support industries of social and educational services, as well as the federal government, which is the largest component of this group due to the presence of the two Indian reservations. Employment in the stable industries characterizes the importance of services to the local economy.

Region 3 Stable Industries



Employment in Region 3's stable industries has been more volatile than the same group of industries statewide. Over the ten-year period, growth among stable industries has averaged 1.6% per year, roughly twice the 0.9% rate for the same group of industries statewide. The industries experienced more volatile growth in the mid-1990s owing to slight volatility in social and educational services. However, the small region's employment base often makes annual growth rates appear exaggerated.

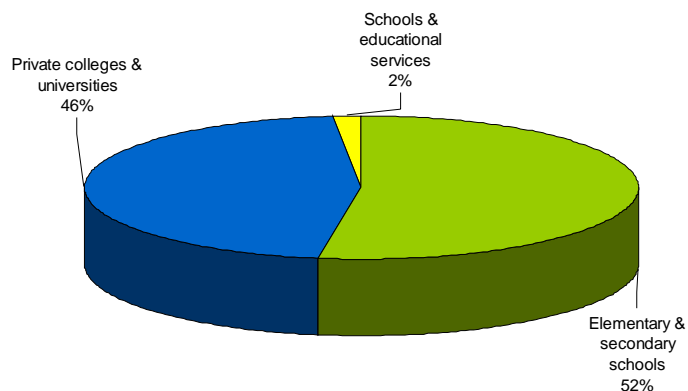
SIC GVF - Federal Government



Federal government employs more than 900 people in Region 3, accounting for a 5% share of total regional employment. This is nearly twice the statewide share of 2.7%. The large concentration of federal government employment in the region can be attributed to the presence of the Indian reservations at Spirit Lake and Turtle Mountain. Federal government employment also includes positions with the U.S. Postal Service, and the Department of Agriculture as well as the Department of the Interior, which includes employment in Indian reservation schools. Region 3 is only one of two regions (with Region 5) in which federal civilian employment remains stable.

SIC 82 - Private Educational Services

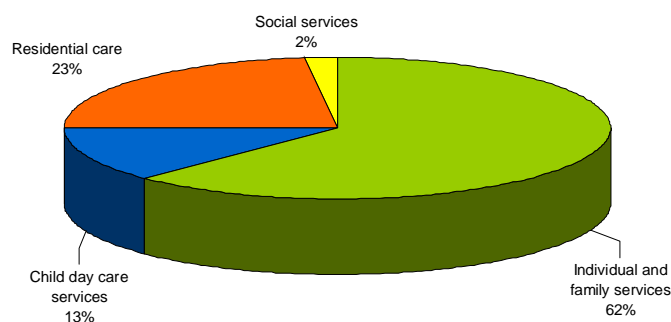
Composition of 1998 employment



Private educational services employ more than 600 people in Region 3, comprising around 3.5% of total regional employment, much higher than the statewide share of less than 1%. About half of the industry's employment is centered on private elementary and secondary schools, where employment has remained fairly stable throughout the decade. The strongest growth has been seen in private colleges and universities, which have added nearly 200 jobs over the past decade.

SIC 83 - Social Services

Composition of 1998 employment

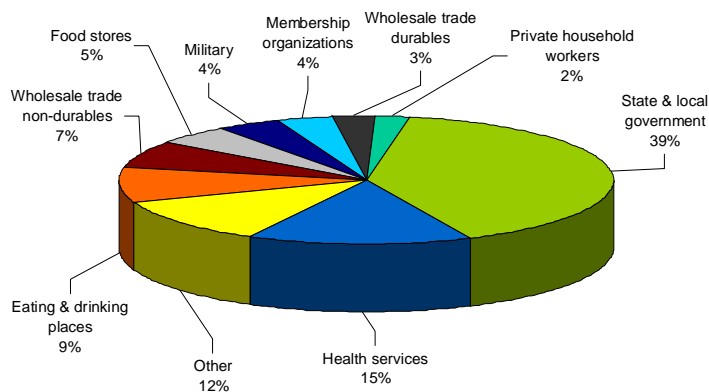


Social services employ nearly 500 people in Region 3, accounting for approximately 2.6% of regional employment, similar to the statewide average. While enjoying healthy growth throughout most of the decade, the industry is losing concentration in the region, making it a stable industry. Strongest growth in the industry has been with individual and family services, which has added 200 jobs over the decade. This reflects the extremely high poverty rates in Rolette County (31% of population) and Benson County (28%).

Other stable industries in Region 3 include apparel and accessory stores; insurance agents brokers and services; and auto repair, services, and parking. They each comprise less than 1% of the workforce, however, and are not profiled in this report.

Region 3 Declining Industries

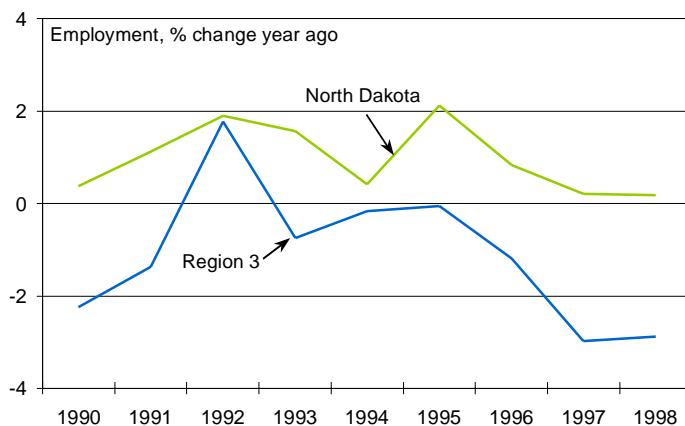
Total 1998 employment = 9,300



Declining Industries

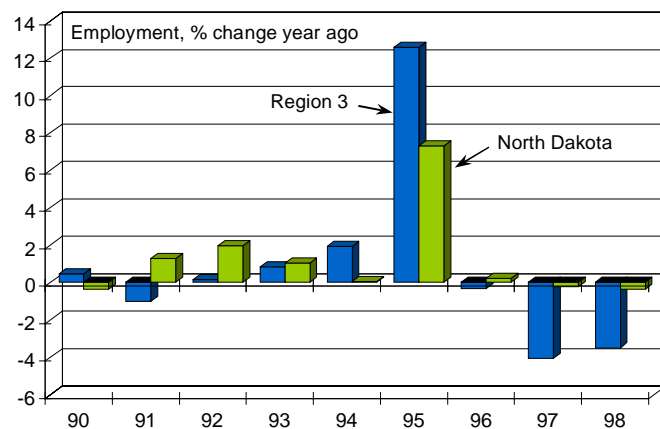
The declining industries in Region 3 employ more than 9,300 people, accounting for more than half of total regional employment. The same group of industries statewide accounts for an even higher 60% of total employment. Recall that an industry with little or no growth but a rapidly declining share of employment is classified as a declining industry. For example, industries such as health services and wholesale trade of nondurable goods have had generally constant employment over the decade but their share of employment is declining rapidly.

Region 3 Declining Industries



Employment in the region's declining industries has consistently underperformed the same group of industries statewide. Employment in the industry group has been declining at an annual rate of just over 1% over the ten-year period, even as employment in the same group of industries statewide has increased slightly, by just under 1% per year. As both state and local government and membership organizations are included in the declining industry group, the 1995 reclassification of employment with tribes from membership organizations to state and local government had no net effect on overall declining industry group performance.

SIC GVSL - State and Local Government

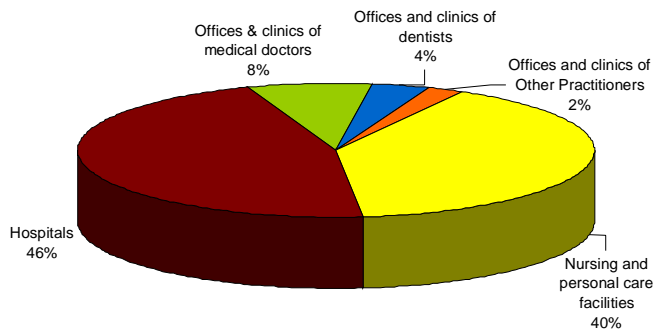


State and local government employs more than 3,700 people in Region 3, accounting for more than 20% of total regional employment, compared to an 18% share, statewide. The higher concentration in Region 3 can be attributed to the presence of two major Indian reservations. State and local government also includes employment by public schools. Although the sector has enjoyed modest employment growth over the decade, its concentration has declined from more than 24% of total regional employment in 1988 to just over 20% today. Employment growth in the industry, both regionally and statewide, spiked artificially in 1995 with the reclassification of employment by tribes from membership organizations to local government. State and local government is the largest single employer in the region. Thus, recent declines in employment certainly impact the region with a loss of income and employment.

Over the long term, however, state and local government do not contribute to the region's economic base, except to the extent that it represents a transfer of tax revenue to the region from elsewhere in the state. Thus, a declining share of employment in state and local government may not be a detriment if it is replaced by a basic component of the economy.

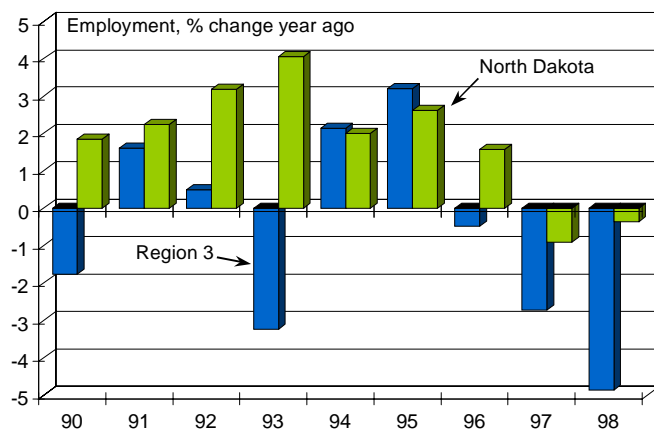
SIC 80 - Health Services

Composition Of 1998 employment



Health services employ approximately 1,400 people in Region 3, accounting for more than 7.6% of total regional employment, somewhat lower than the 10% share state-wide. Employment in the industry has demonstrated lackluster growth over the decade and has been steadily declining for the past five years. Most employment in this industry is concentrated in hospitals and nursing and personal care facilities, which include some of the region's largest employers. The U.S. Indian Hospital, Mercy Hospital and Heartland Care Center each employ around 200 people in the region.

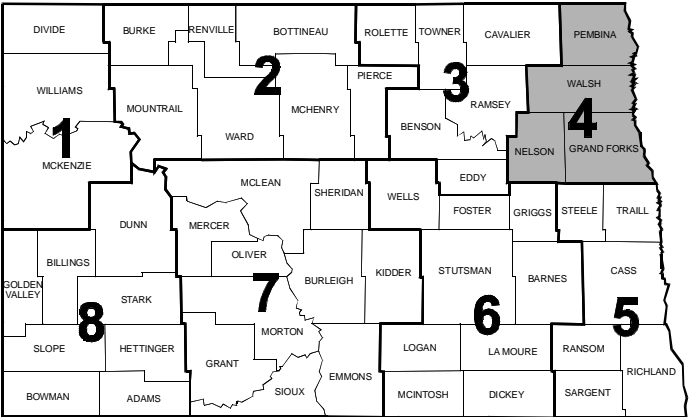
SIC 58 - Eating and Drinking Places



Eating and drinking places employ 830 people in Region 3, accounting for a 4.6% share of total regional employment. Employment in the industry has been relatively stable throughout the decade, with employment dipping in 1998. As the industry has a small employment base, growth rates may appear exaggerated, as employment has only declined by roughly 60 people from 1988 to 1998. Furthermore, restaurants in the region's casinos are not included in eating and drinking places data, but rather with amusement and recreation services. Thus, the true level of food services employment may be understated.

Other declining industries in Region 3 include food stores, military personnel, membership organizations, wholesale trade of durable goods, private household workers, miscellaneous retail stores, farm payroll labor, and building materials and garden supply stores. An additional fifteen industries are classified as declining; however, as they account for less than 1% of total regional employment, they are not profiled in this report.

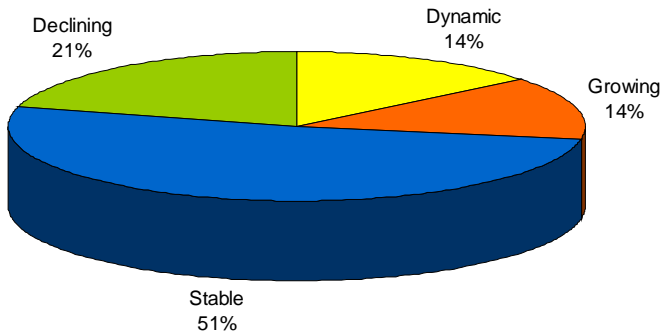
Industrial Composition - Region 4



Industrial Composition – Region 4

Region 4 Industry Distribution

Percent share of total 1998 employment

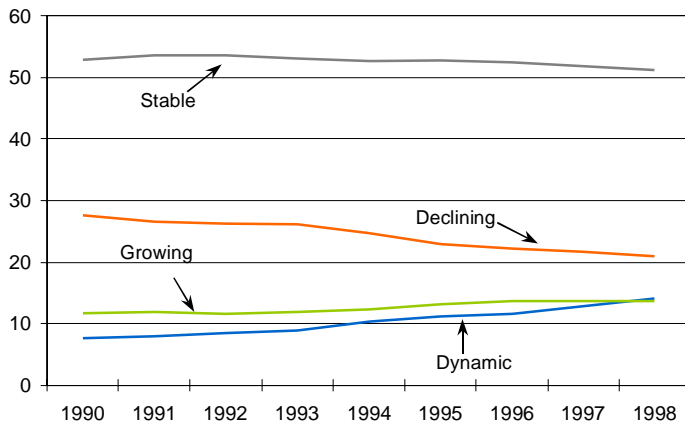


Region 4 is located along the fertile Red River Valley in the northeastern corner of North Dakota. The region suffered a double blow in the late 1990s, as record flooding of the Red River devastated the economic center of Grand Forks and base realignment cost Grand Forks Air Force Base some 1,500 jobs. These events impacted nearly all sectors of the economy. The Grand Forks metro area is still rebuilding from the flood, leading to an increase in construction and development activity. Furthermore, the loss of military positions has diminished consumer demand for retail and other services.

The region has about 93,000 people or just over 14% of the state's population. The region accounts for approximately 16% of North Dakota's employment base. The region's dynamic industries group employs about 14% of its work force and is made up primarily of manufacturing and construction industries. The growing industries group also accounts for approximately 14% of employment and is comprised of wholesale and retail trade and service industries. The stable industries group is the largest, accounting for 51% of total regional employment. It includes two of the region's largest industries: state and local government and health services. The declining industries group is the second largest in the region, accounting for around 21% of regional employment. This group includes such industries as the federal government and military, as well as agriculture-related industries. The region is seeing a decline in several basic industries, including federal military and civilian employment and farm labor and agricultural services. The region, however, is fortunate to have several dynamic and growing industries that are adding to the basic economy and offsetting the loss of declining industries. Three manufacturing industries are in the dynamic group and three service industries are in the growing group.

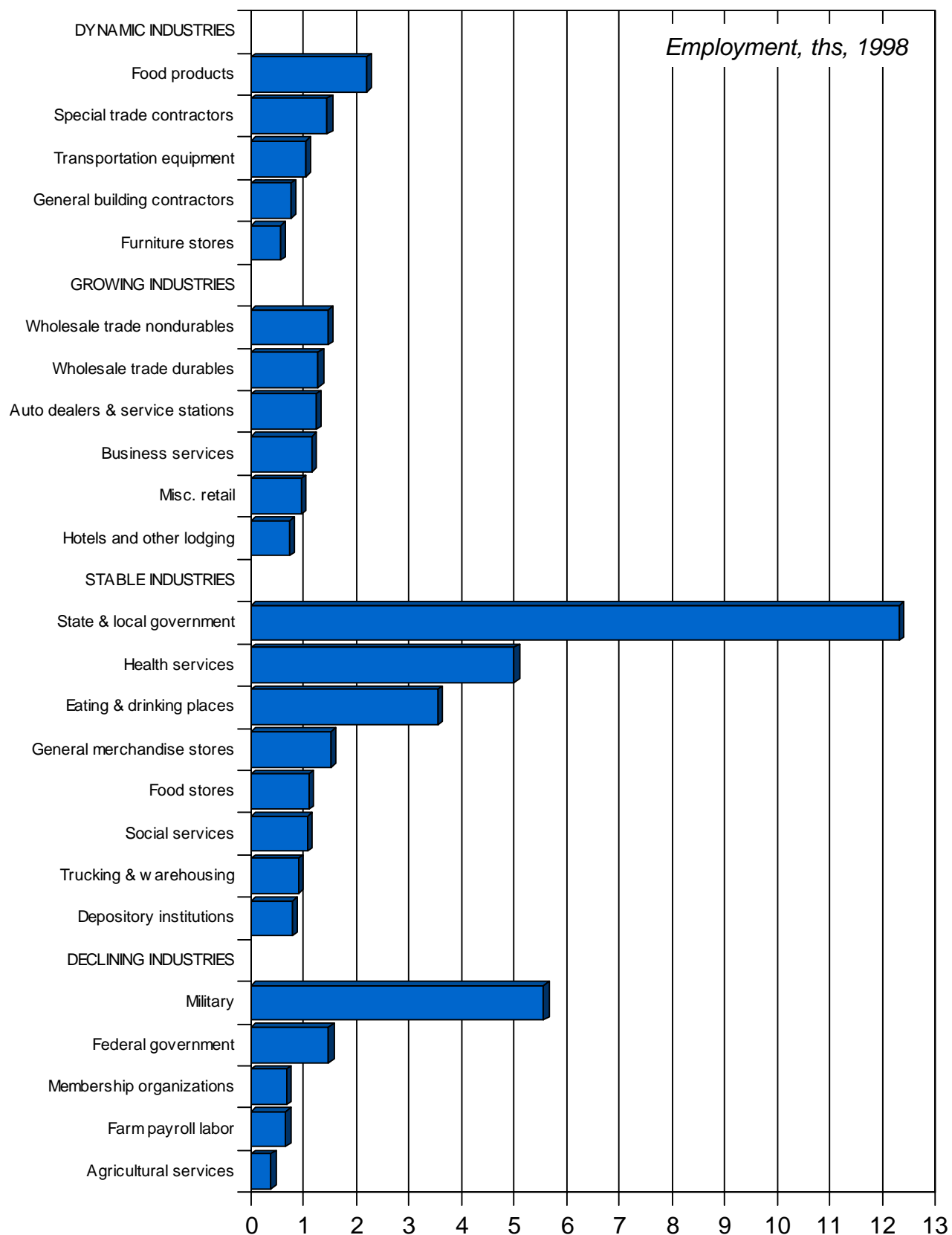
Composition of Region 4 Employment

Category share of total employment



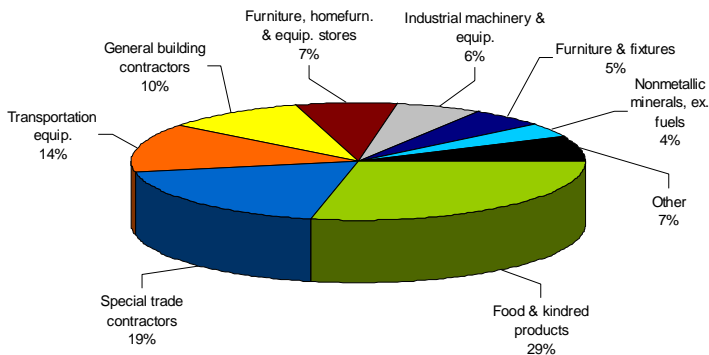
Employment in the dynamic industries has expanded most rapidly throughout the decade, increasing from less than 8% of employment in 1990 to more than 14% in 1998. The growing industries also expanded rapidly in the 1990s and increased their concentration in the region. Conversely, declining industries steadily decreased as a share of employment during the same period, although they remain the second largest industry group in the region. The stable industries put on a steady performance in the 1990s, though slightly decreasing their share of regional employment.

Region 4 Industry Employment Profile



Region 4 Dynamic Industries

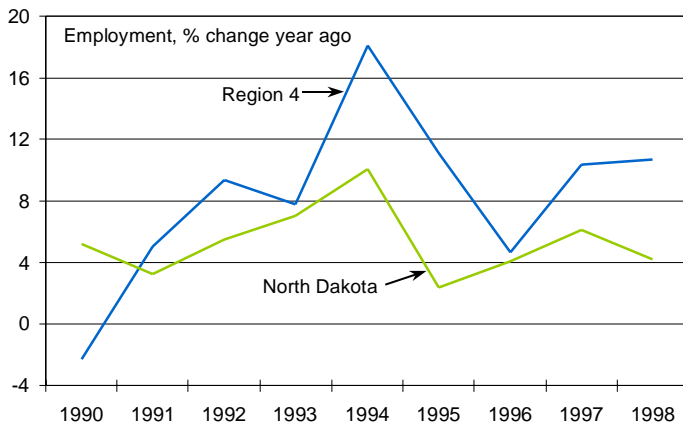
Total 1998 employment = 7,760



Dynamic Industries

Region 4's dynamic industries employ over 7,700 people, comprising approximately 14% of total regional employment, compared to nearly 20% for the same industry group statewide. The group includes manufacturing industries such as food and kindred products and transportation equipment manufacturing, which have experienced generally strong growth throughout the decade. Construction industries and business services have also been engines of growth for the region. This group of dynamic industries characterizes the economy shifting toward manufacturing and general services and away from employment in the military and federal government. While the losses in federal employment represent a partial loss of income in the region's basic economy, a number of the dynamic manufacturing industries are supplementing the basic economy through the shipment of goods to markets outside the state and region.

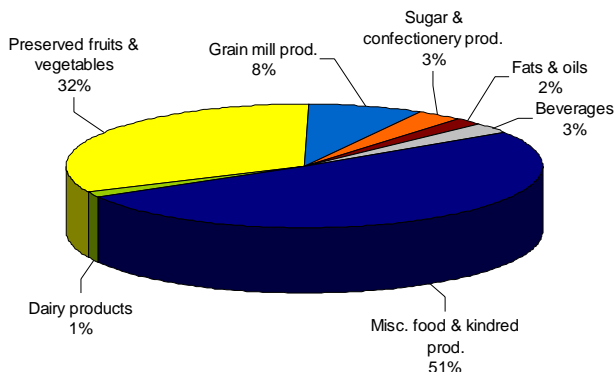
Region 4 Dynamic Industries



Employment in the region's dynamic industries experienced rapid growth in the early half of the decade, outpacing the same group of industries statewide throughout the decade. The region's dynamic industries expanded their payrolls at a 7.4% average annual pace from 1988 to 1998, compared to just under 5% for the same group of industries statewide. This growth was strongest in 1994, when growth in the food processing and transportation equipment manufacturing industries was strongest.

SIC 20 - Food and Kindred Products

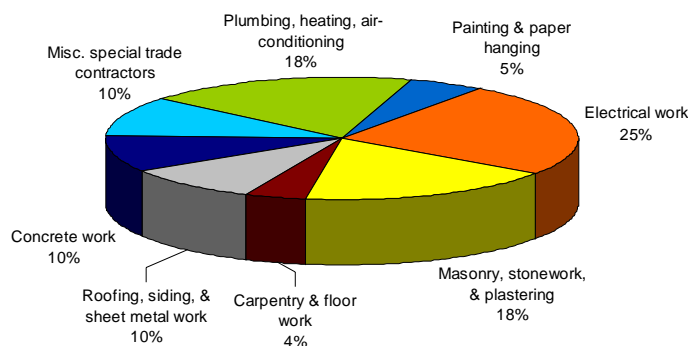
Composition of 1998 employment



Food and kindred products manufacturing employs more than 2,200 people in Region 4, comprising roughly 4% of total regional employment, compared to 1.7% statewide. The industry is centered on the production of miscellaneous food processing, which is not only the largest segment of the group, but also the fastest growing. This includes employment at pasta processing plants, such as the Philadelphia Macaroni Co. Region 4 is home to several other agricultural processing firms, as well, including American Crystal Sugar, J.R. Simplot and Land-O-Lakes.

SIC 17 - Special Trade Contractors

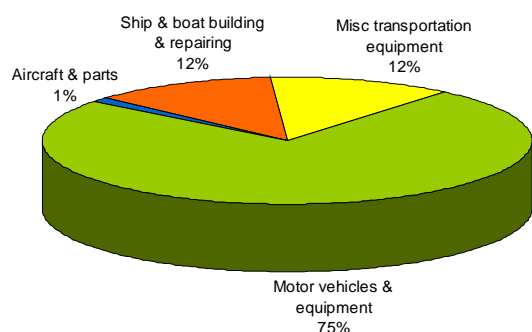
Composition of 1998 employment



Special trade contractors employ more than 1,400 people in Region 4, accounting for more than 2.6% of total regional employment, similar to the statewide share. The industry has added jobs at an average annual pace of over 7% during the past decade. Strongest growth has been demonstrated by the masonry, stonework and plastering and electrical industry segments. The strong growth of this industry can be attributed to the massive rebuilding needed in the aftermath of the Red River flooding in 1997, as well as after less severe flooding earlier in the decade.

SIC 37 - Transportation Equipment

Composition of 1998 employment

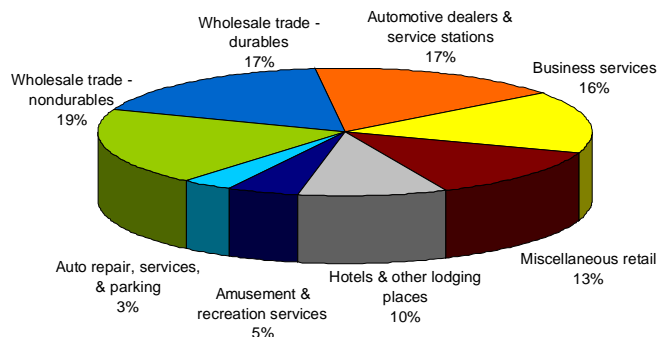


Transportation equipment manufacturing employs more than 1,000 people in Region 4, accounting for roughly 2% of total regional employment, compared to less than 1% statewide. The industry has added nearly 800 jobs since 1988 for an average annual growth rate of nearly 15%. Major employers in the industry include Motor Coach Industries, which manufactures buses, and Cirrus Design Corporation, which manufactures aircraft wings.

Other dynamic industries in Region 4 include general building contractors and furniture, home furnishings and equipment stores. An additional eleven industries are included in the dynamic industries group. They each constitute less than 1% of total employment, however, and are not profiled in this report.

Region 4 Growing Industries

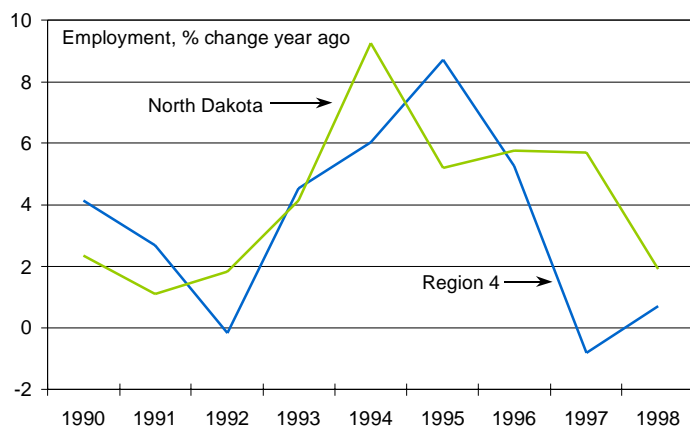
Total 1998 employment = 7,490



Growing Industries

Region 4's growing industries employ nearly 7,500 people, comprising 14% of total regional employment. The group includes wholesale trade, business services and tourism-related industries. This group of growing industries characterizes the shift toward general services and trade in the northeastern corner of the state.

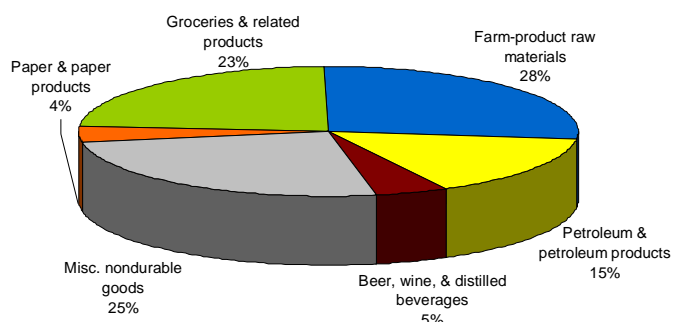
Region 4 Growing Industries



Employment growth in this industry group has followed a similar path as the same industries statewide throughout much of the decade. Employment growth, however, has dropped off more sharply in the region since 1995, owing to slight employment declines in auto dealers and service stations and hotels. The growing industries added to their payrolls at an average annual rate of 3.3% since 1988, just under the 3.8% rate for the same group of industries statewide.

SIC 51 - Wholesale Trade, Nondurable Goods

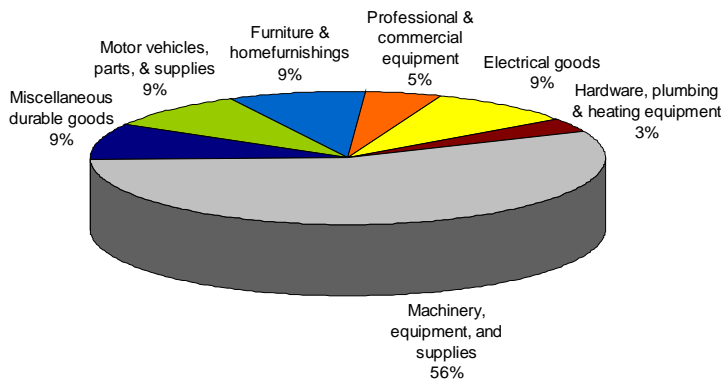
Composition of 1998 employment



Wholesale trade of nondurables employs nearly 1,500 people in Region 4, accounting for a 2.7% share of regional employment, nearly the same as the 3% share statewide. Growth of this industry is closely tied with the region's agricultural production, as well as with the growth of food and kindred products manufacturing in the region. The trade of groceries and raw farm products comprises about half of employment in the industry.

SIC 50 - Wholesale Trade, Durable Goods

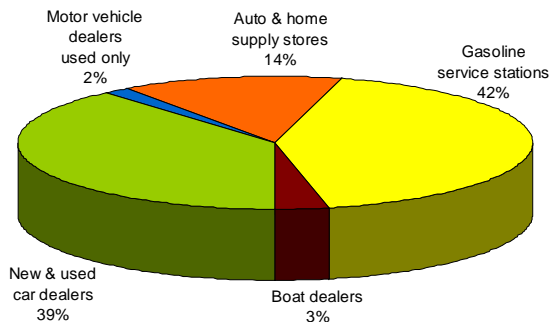
Composition of 1998 employment



Wholesale trade of durable goods employs nearly 1,300 people in Region 4, accounting for approximately 2.3% of employment, compared to more than 3% statewide. Employment in the industry is centered on the trade and distribution of machinery, equipment and supplies, which has added more than 100 jobs in the region over the decade as industrial machinery manufacturing has grown in the region. Also, the region's growing transportation equipment manufacturing industry supports the trade and distribution of motor vehicles parts and supplies.

SIC 55 - Automotive Dealers & Service Stations

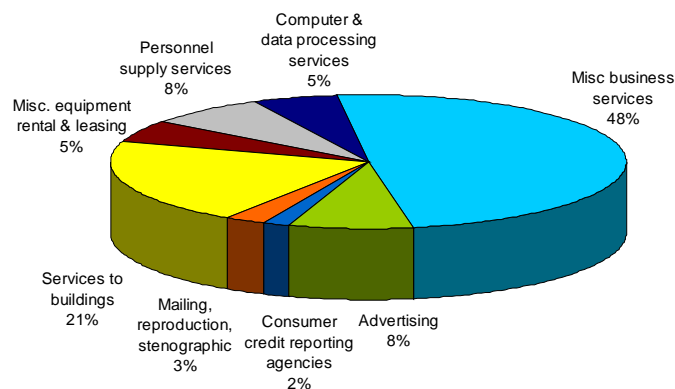
Composition of 1998 employment



Automotive dealers and service stations employ approximately 1,250 people in Region 4, accounting for around 2.3% of total employment, in line with the state average. Employment at new and used car dealers has been generally constant throughout the decade. However, employment at gasoline and service stations has been steadily increasing during this same period. Growth in this industry reflects expansion in travel and tourism and also is consistent with the steady increase in state vehicle registrations throughout the 1990s.

SIC 73 - Business Services

Composition of 1998 employment

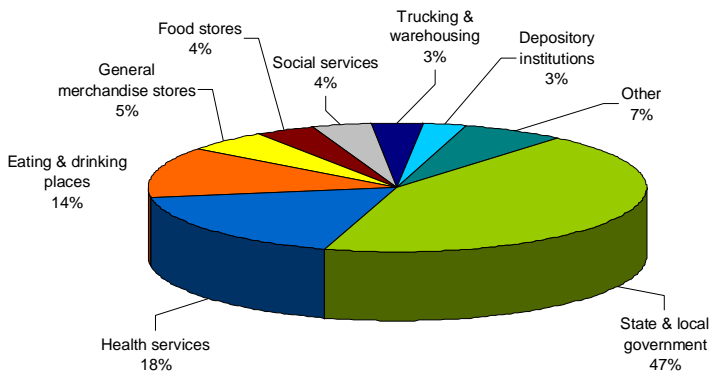


Business services employ more than 1,100 people in Region 4, constituting approximately 2% of total regional employment, only about half of the state average. Miscellaneous business services comprise the largest segment of industry employment and include telemarketing operations at companies such as ProMark One in Grand Forks. Computer and data processing services are also included in this industry, such as Aatrix's business accounting software development operations in Grand Forks. Although the industry is still small in the region compared to the state and the nation, continued growth in this industry provides some long-term upside potential for the region.

Other growing industries in Region 4 include miscellaneous retail stores and hotels, motels and other lodging places. Additionally, amusement and recreation services and auto repair, services and parking are included in the growing industries group; however, they account for less than 1% of total employment and are not profiled in this report.

Region 4 Stable Industries

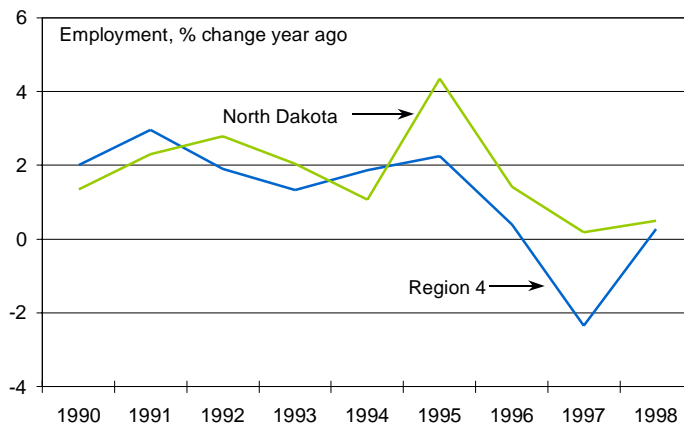
Total 1998 employment = 28,190



Stable Industries

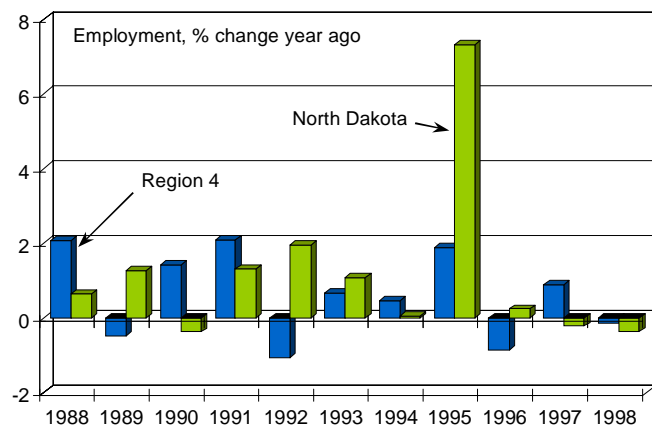
Region 4's stable industries employ over 28,000 people, accounting for more than half of total regional employment. The majority of employment is within state and local government and health services. Consumer establishments, such as retail stores and eating and drinking places experienced healthy growth throughout the first half of the decade, but have since been shedding jobs as employment growth in the region has decelerated. The industries in this group indicate stable local service-oriented industries within Region 4.

Region 4 Stable Industries



Employment in Region 4's stable industry group has slightly underperformed the same group of industries statewide. Over the ten-year period, its growth has averaged 1.1% per year, slower than the 1.8% rate statewide. Decelerating employment in the latter half of the decade can be attributed to declining employment at retail stores and eating and drinking places during this period, reflecting the impact of the military base realignments and Red River flood on consumer demand.

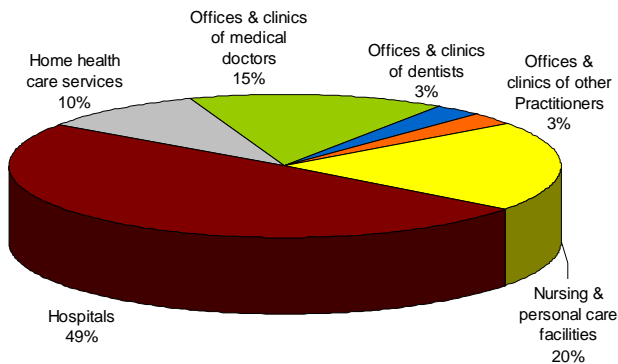
SIC GVSL - State and Local Government



State and local government is the largest of the stable industries, employing more than 12,300 people in Region 4. With more than 22% of total employment in the region, it is more highly concentrated than it is statewide, where it comprises 18% of total employment. Local government accounts for the just over half of this employment and includes employment by police, fire and rescue squads, as well as employment at local schools. The state employs more than 5,600 people in the region, working in state police units, state parks and regional administrative offices. Additionally, this region is home to the University of North Dakota and the North Dakota State Mill, which aids in the manufacture and marketing of the region's farm products.

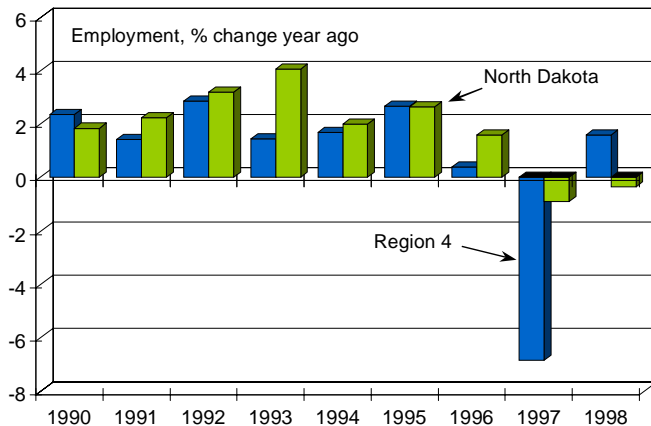
SIC 80 - Health Services

Composition of 1998 employment



Health services employ close to 5,000 people in Region 4, constituting just over 9% of total regional employment, nearly the same as the 10% share state-wide. As is common in most of North Dakota's regions, several of Region 4's top employers are health service providers, including Altru Health System and Altru Health Institute. While hospitals have enjoyed strong growth throughout much of the decade, cost-cutting initiatives by managed care organizations have constrained growth in recent years. As a result, alternative care methods have grown. Home health care has emerged as a driving force in the industry, adding nearly 500 jobs in the region over the past decade. An aging population will continue to support demand for these services.

SIC 58 - Eating and Drinking Places

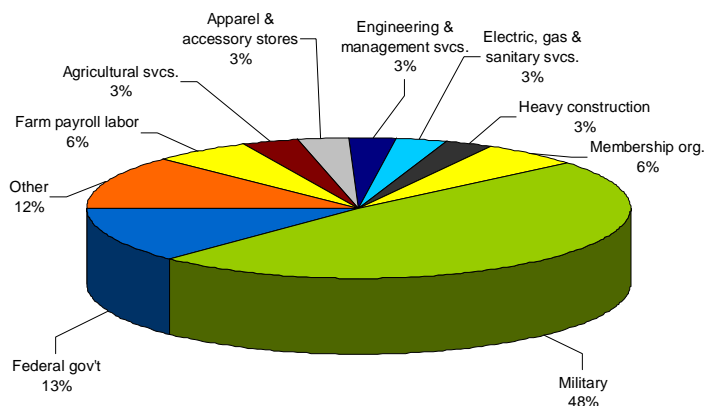


Eating and drinking places employ close to 3,500 people in the region, constituting 6.5% of total regional employment, slightly more than the statewide share of 6.1%. The industry has grown at an average annualized rate of 1.3% per year since 1988, although employment growth has decelerated since 1996, mirroring the slower growth of the regional economy.

Other stable industries in Region 4 include general merchandise stores, food stores, social services, trucking and warehousing, and depository institutions. Additionally, personal services; building materials and garden supply stores; communications; insurance agents, brokers, and services; private household workers; local and interurban passenger transportation; and lumber and wood products are classified as stable industries. They each account for less than 1% of total employment, however, and are not profiled in this report.

Region 4 Declining Industries

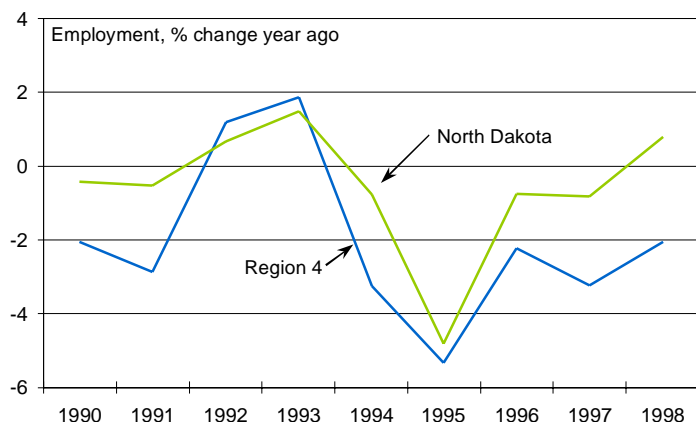
Total 1998 employment = 11,520



Declining Industries

The declining industries in Region 4 employ roughly 11,520 people, accounting for 21% of total regional employment. The largest declining industries are related to the diminishing presence of military personnel and the federal government. The declining industries group is representative of the shift away from agricultural production and diversification away from government employment.

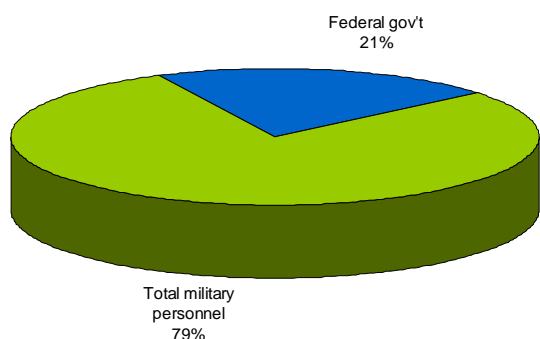
Region 4 Declining Industries



Employment in the region's declining industries mirrored the performance of the same group of industries statewide. Growth dipped in 1995 due to the realignment at Grand Forks Air Force Base; however, the employment decline has been decelerating since then. Employment in declining industries has been declining at an annual rate of more than 2% over the ten-year period, more rapidly than the modest decline of 0.6% for the same group of industries statewide.

Military and Federal Government

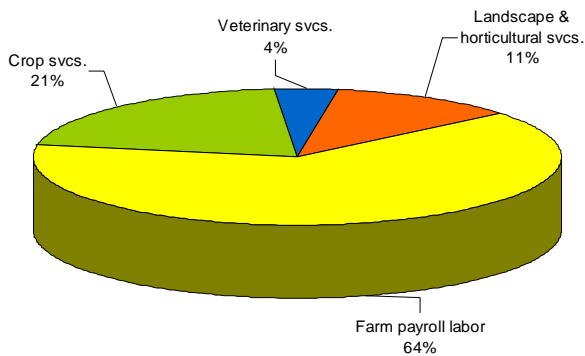
Composition Of 1998 employment



Special groups include federal government and the military in Region 4. The military employs over 5,500 people in the region, a share of over 10%, owing to the presence of Grand Forks AFB. The base lost over 1,500 military and civilian personnel as a result of the Base Realignment and Closure Act of 1995. This realignment adversely impacted the region's support industries, such as retail and services, as well. The federal government employs nearly 1,500 people in Region 4, a share of nearly 3%. Federal government employment in the region consists mainly of civilian employment at the air force base, as well the U.S. Postal Service and the Department of Agriculture, and has been steadily declining.

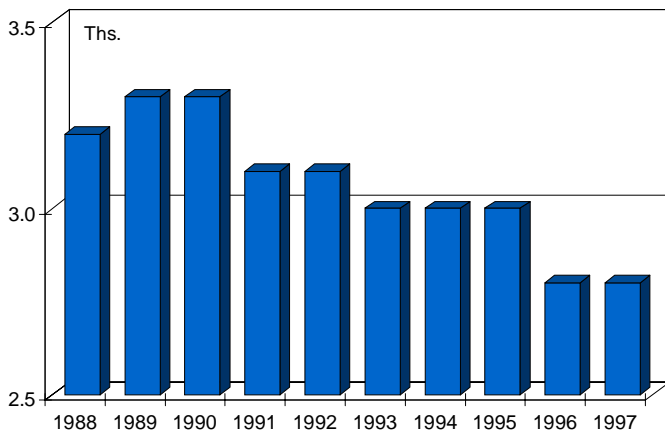
Agricultural Services and Farms

Composition Of 1998 employment



Farms and agricultural services employ more than 1,000 people in Region 4, constituting nearly 2% of total regional employment, compared to around 1.5% statewide. Employment on farms has steadily declined throughout the decade as agriculture has adopted more capital intensive means of production. Furthermore, the repeated flooding of the Red River Valley has adversely impacted agricultural production in the region.

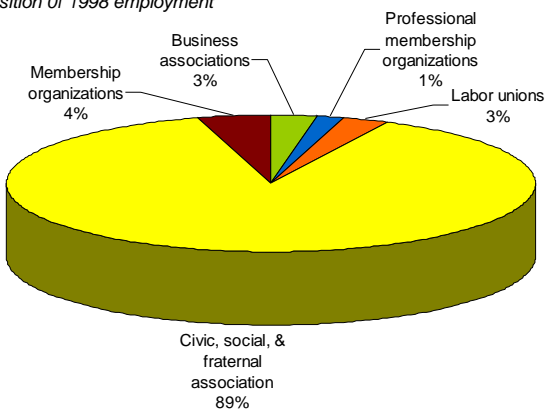
Farm Proprietorships



Farm proprietorship in Region 4 has also been declining over the past decade. The region currently has less than 2,800 farm proprietors, down from more than 3,200 in 1990. The region accounts for just under 9% of total state farm proprietors, a share that has declined only slightly over the decade. This steady decline illustrates the effects of a weak farm economy resulting from constrained global demand, weak pricing, and the devastating effects of frequent flooding in the region. These problems have forced many smaller farmers to consolidate or declare bankruptcy.

SIC 86 - Membership Organizations

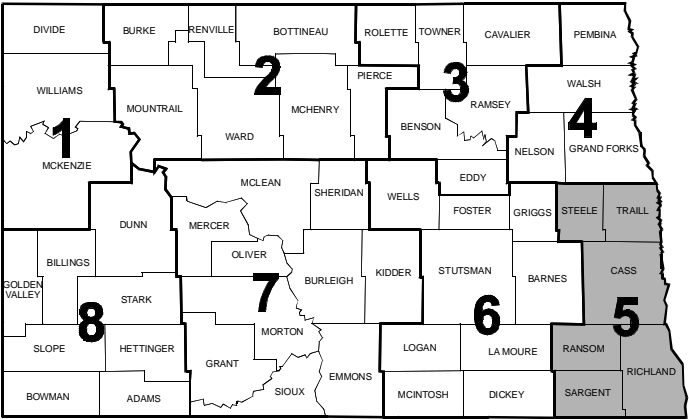
Composition Of 1998 employment



Membership organizations employ nearly 700 people in Region 4, constituting approximately 1.2% of total employment in the region, about one-half of the statewide share. The industry did experience an artificial drop in employment in 1995 as a result of the reclassification of employment by Native American tribes from membership organizations to state and local government and has been further declining since then.

An additional sixteen industries are included in **Region 4's declining industry group**, the largest of which are apparel and accessory stores; engineering and management services; and electric, gas and sanitary services. They each account for less than 1% of total employment, however, and are not profiled in this report. The breadth of industries included in the declining group indicates a weakness for the region.

Industrial Composition - Region 5



Industrial Composition – Region 5

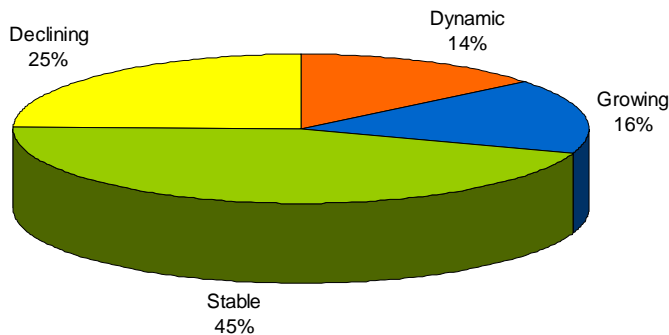
Region 5 is the state's largest region in terms of population and economic output and has been the state's strongest economic performer throughout the decade. This strong performance can be attributed to the location of Fargo, the state's largest metropolitan area, which consists of Cass County in North Dakota and Clay County in Minnesota. Region 5 is comprised of six counties that are located along the Red River in the southeastern corner of North Dakota. The region has over 156,000 people or nearly one-quarter of the state's population. Moreover, the region accounts for approximately 30% of North Dakota's employment.

The region's dynamic industries group employs about 14% of its workforce. The group is made up of manufacturing and service industries. The growing industries group accounts for approximately 16% of employment and is mainly comprised of retail and service industries. The stable industries group is the largest, accounting for 45% of total regional employment. This group is comprised of industries that form the support base of the economy, such as health and business services. The declining industries group comprises 25% of regional employment. This group is dominated by state and local government, as well as by wholesale trade and membership organizations. Employment growth in this region has consistently outperformed the statewide average on the strength of the Fargo metro area, which has experienced robust growth throughout the decade.

Employment in the dynamic industries has increased most rapidly throughout the decade, increasing from approximately 9% of employment in 1988 to more than 14% in 1998. The growing industries also modestly increased their share of total employment, from 13% in 1990 to 16% in 1998. Conversely, declining industries steadily decreased as a share of employment during the same period, although they remain the second largest industry group in the region. The stable industries put on a steady performance in the 1990s, as their share of regional employment was generally unchanged. The distribution of employment among the four industry groups has changed less in Region 5 than it has in other more rural regions of the state. This suggests that the pattern of growth in Region 5 has been more stable over the past decade. The Fargo metro area has long been a service-based economy and, thus, is not undergoing as dramatic a transformation as regions elsewhere in the state.

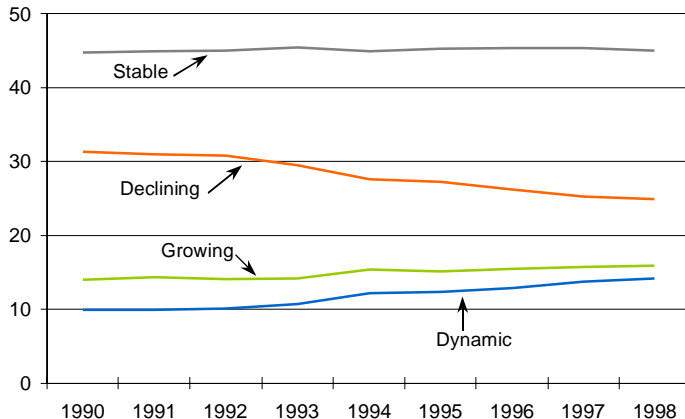
Region 5 Industry Distribution

Percent share of total 1998 employment

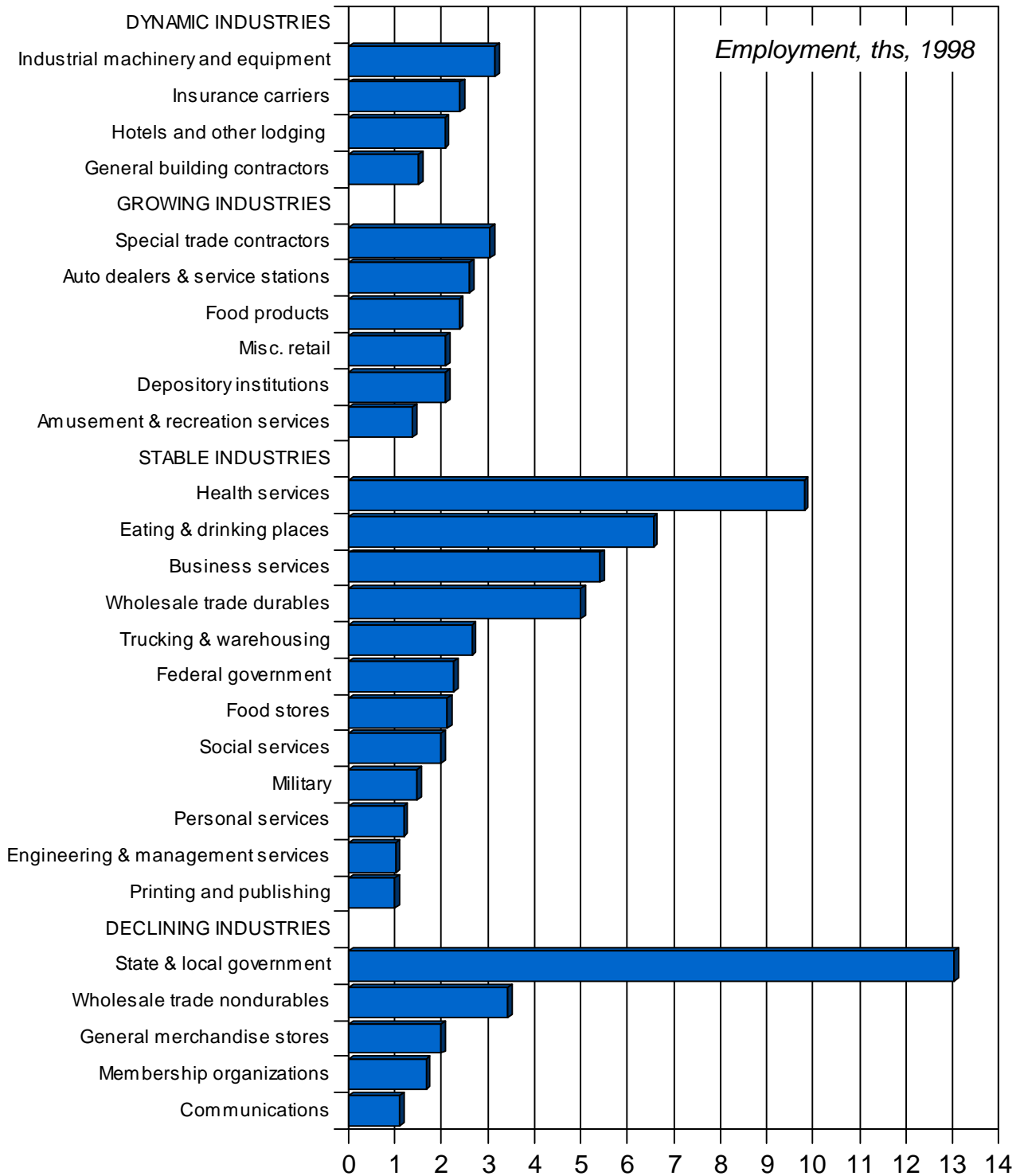


Composition of Region 5 Employment

Category share of total employment

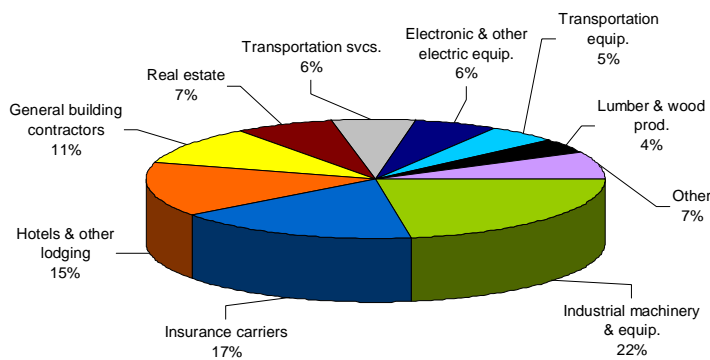


Region 5 Industry Employment Profile



Region 5 Dynamic Industries

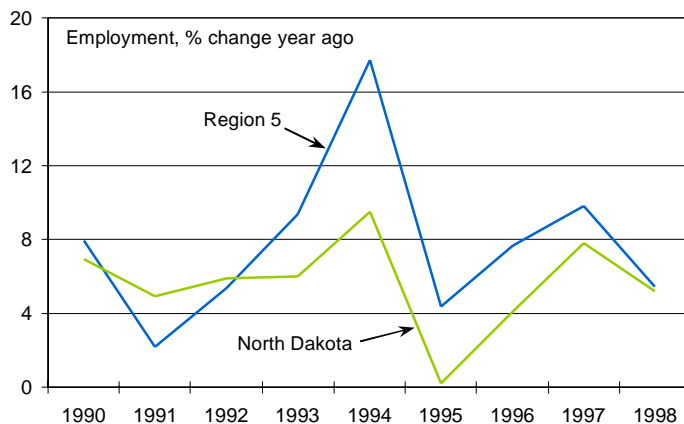
Total 1998 employment = 14,020



Dynamic Industries

Region 5's dynamic industries employ over 14,000 people, comprising approximately 14% of total regional employment, compared to less than 9% for the same industry group statewide. The group includes industrial machinery and equipment manufacturing as well as transportation equipment and electronic equipment, which have experienced generally strong growth throughout the decade. Financial services, including insurance carriers and real estate, have also been strong performers, as have the hotel and construction industries. This diverse group of dynamic industries characterizes the broader scope of growth of the region's economy, led by the solid performance of Fargo, the region's economic center.

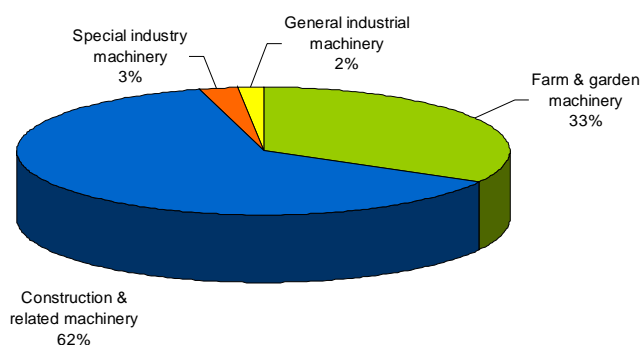
Region 5 Dynamic Industries



Employment growth in the region's dynamic industries has outpaced the same group of industries statewide throughout most of the decade. The region's dynamic industries expanded their payrolls at a 7.9% average annual pace from 1988 to 1998, compared to just over 5% for the same group of industries statewide. This growth was strongest in 1994, due to robust growth in industrial machinery equipment manufacturing.

SIC 35 - Industrial Machinery & Equipment

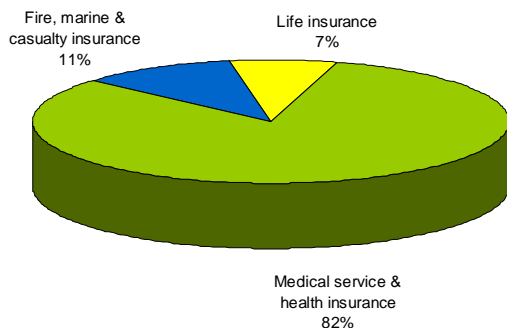
Composition of 1998 employment



Industrial machinery and equipment manufacturing employs more than 3,100 people in Region 5, comprising over 3% of total regional employment, compared to 1.5% statewide. The industry is centered on the production of construction equipment, and, to a lesser extent, farm and garden machinery. The industry is dominated by Melroe Corporation, which employs well over 1,500 people, mostly at its manufacturing plant in Gwinner. Case Corporation is another major employer in the region, employing nearly 800 people at its Fargo plant. These companies primarily produce construction equipment and tractors for the national market.

SIC 63 - Insurance Carriers

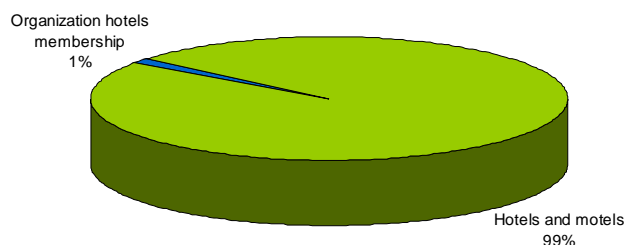
Composition of 1998 employment



Insurance carriers employ more than 2,400 people in Region 5, accounting for more than 2.4% of total regional employment, more than double the statewide share. Employment is primarily in medical and health insurance, with the Blue Cross & Blue Shield Association of North Dakota employing approximately 1,300 people in claims processing and administrative functions. The company is a subsidiary of Noridian Insurance Services, Inc., which also administers the federal Medicare plan for eleven states from its Fargo headquarters.

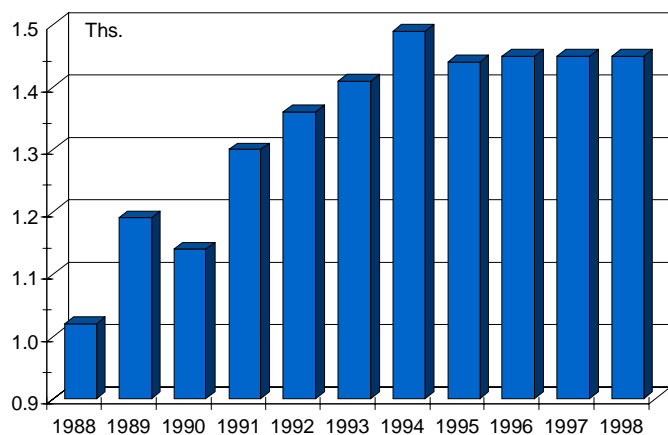
SIC 70 - Hotels and Other Lodging Places

Composition of 1998 employment



Hotels and other lodging places employ more than 2,000 people in Region 5, accounting for roughly 2% of total regional employment, compared to 1.6% statewide. Hotels and motels experienced rapid growth in the middle of the decade. The opening of the Fargodome arena in December 1992, which attracts major entertainment acts and large conventions to the city, has contributed to an increase in visitor flow.

SIC 15 - General Building Contractors

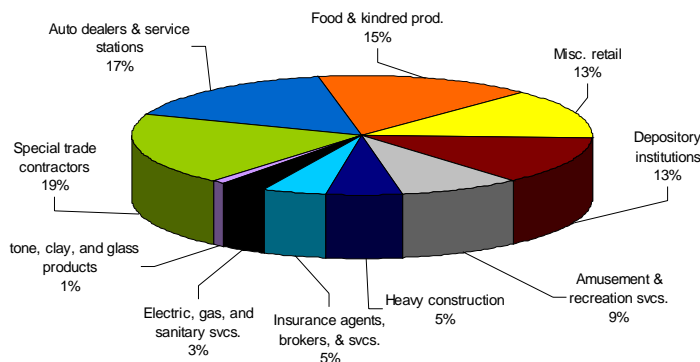


General building contractors employ just under 1,500 people in Region 5, accounting for just over 1% of total regional employment. Growth in this industry has followed the pattern of residential permitting activity in the region, which was strongest mid-decade. This can be partly attributed to rebuilding from flooding in 1993, 1994 and again in 1997. Additionally, Region 5's above-average population and employment growth, led by the Fargo metropolitan area, have supported continued demand for both residential and commercial construction.

Another thirteen industries are included in the **dynamic industries** group in Region 5. They account for less than 1% of total employment, however, and are not profiled in this report. The breadth of industries included in the dynamic group is a testament to the strength and diversification of the region's economy.

Region 5 Growing Industries

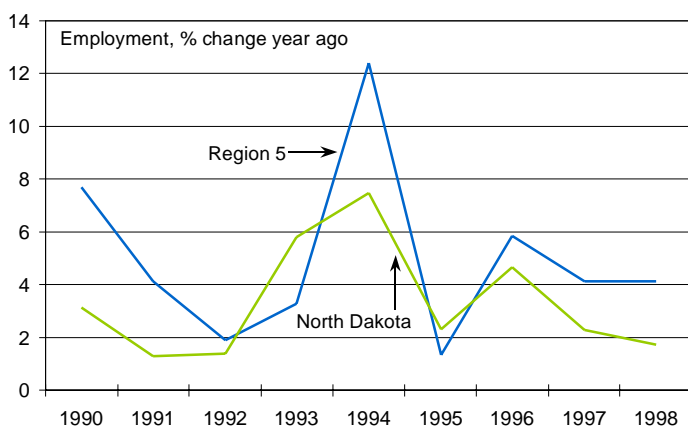
Total 1998 employment = 15,770



Growing Industries

Region 5's growing industries employ approximately 15,700 people, comprising 16% of total regional employment. The group includes retail trade and construction-related industries, as well as food processing. This group of growing industries characterizes the growing demand for retail services and increased development in the region. With the exception of food products and, to a lesser extent, amusement and recreation services, most of the growing industries represent support functions in the economy, rather than basic industries that drive the economy forward.

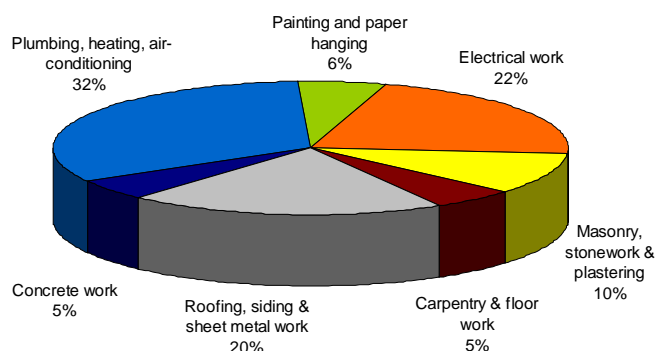
Region 5 Growing Industries



Employment growth in this industry group has generally performed stronger than the same industries statewide throughout much of the decade, with employment growth spiking in 1994. This spike is the result of strong growth in amusement and recreation services related to the opening of several small casinos in the region, including the Brass Mint and Blue Wolf casinos. The growing industries added to their payrolls at an average annual rate of 4.6% since 1988, compared to the 3% rate for the same group of industries statewide.

SIC 17 - Special Trade Contractors

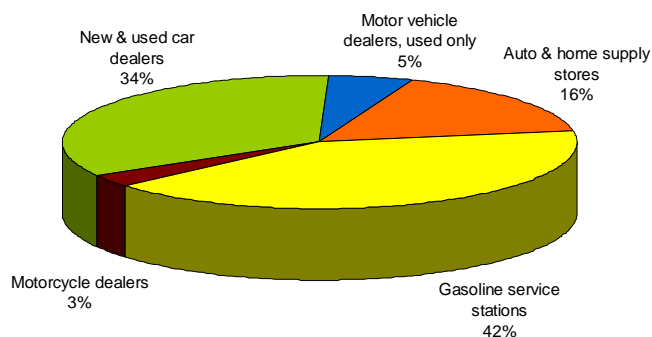
Composition of 1998 employment



Special trade contractors is the largest component of the growing industries group, employing about 3,000 people in Region 5. This accounts for a 3% share of regional employment, compared to a 2.4% share statewide. Growth in this industry has followed the pattern of housing permit issuance in the region, which was strongest mid-decade and again in the late 1990s. This can be attributed to rebuilding from flooding in 1993 and 1994, and again in 1997, contributing to higher levels of residential construction in the Fargo metro area. Industry segments with the strongest growth over the decade were roofing and siding; plumbing, heating, and air conditioning; and electrical work, industry segments which tend to provide higher paying positions.

SIC 55 - Automotive Dealers & Service Stations

Composition of 1998 employment

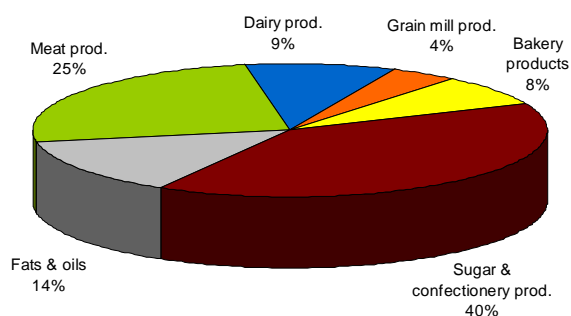


Automotive dealers and service stations

employ approximately 2,600 people in Region 5, accounting for around 2.7% of total employment, which is in line with the statewide average. Employment by new and used car dealers has been generally constant throughout the decade. However, employment at gasoline and service stations, as well as at auto and home supply stores, has been steadily increasing during this same period. This growth reflects the increased development arising from the region's growing population.

SIC 20 - Food and Kindred Products

Composition of 1998 employment



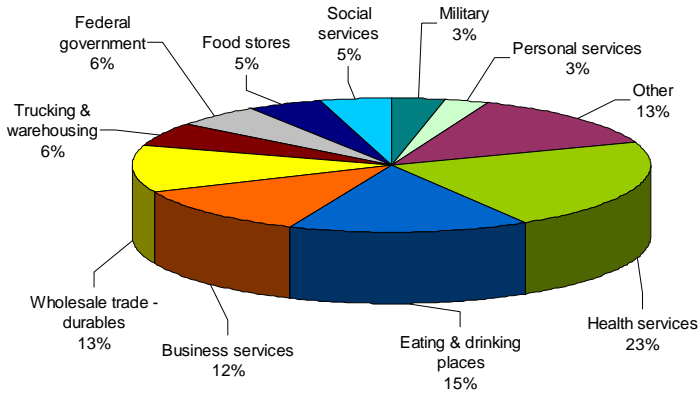
Food and kindred products manufacturing

employs roughly 2,400 people in Region 5, accounting for around 2.5% of total employment, compared with a state average of 1.7%. One of the region's major agricultural products is the sugar beet; thus, sugar and confectionery processing is a large industry as well. Major companies include the Minn-Dak Farmers Cooperative in Wahpeton and the American Crystal Sugar Company in Hillsboro. Other local food processing operations include dairy processing at the Cass-Clay Creamery in Fargo, which employs 300 people.

Other growing industries in Region 5 include miscellaneous retail; depository institutions; amusement and recreation services; heavy construction, excluding buildings; insurance agents, brokers, and services; electric, gas, and sanitary services; and stone, clay, and glass products. These industries each account for less than 1% of total employment, however, and are not profiled in this report.

Region 5 Stable Industries

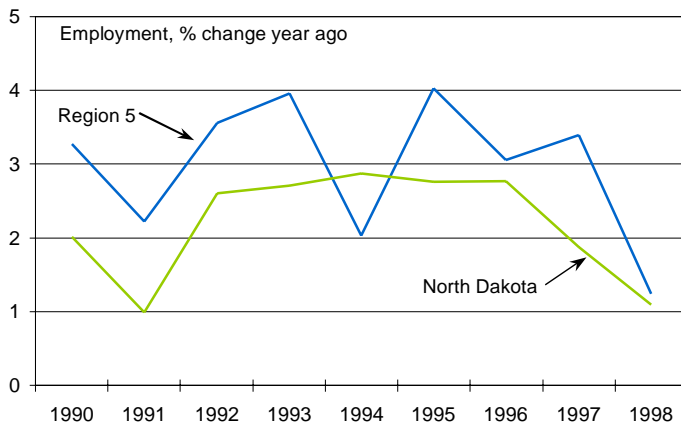
Total 1998 employment = 44,430



Stable Industries

Region 5's stable industries employ over 44,400 people, accounting for nearly half of total regional employment. The group includes support industries such as health services and eating and drinking places. As home to the major metropolitan area of Fargo, business services and other general services industries are also included in this group. The general health of the region's economy throughout the decade has supported demand for these large industries, providing a stable source of employment for the region.

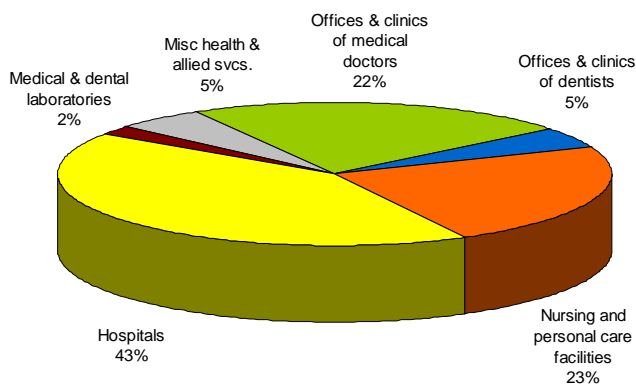
Region 5 Stable Industries



The stable industries in Region 5 have generally outperformed the same group of industries statewide during the decade. The dip in growth in 1994 can be attributed to cutbacks in military and federal government employment during this period. Decelerating employment in the latter half of the decade is the result of moderating expansion in business services.

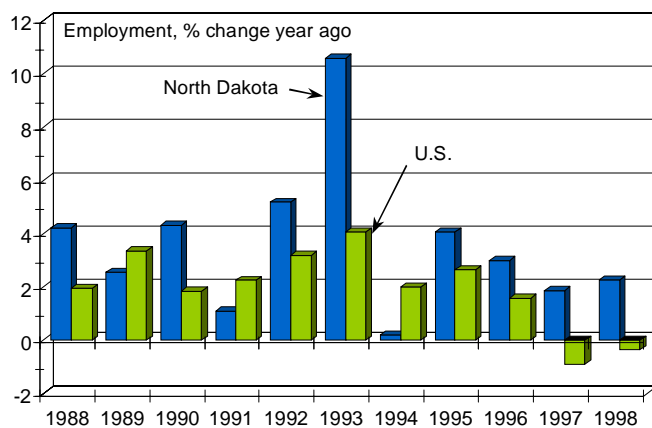
SIC 80 - Health Services

Composition of 1998 employment



Health services is the largest of the stable industries, employing approximately 9,900 people in Region 5. This constitutes nearly 10% of total regional employment, about equal to the statewide share. As is common in nearly all of North Dakota's regions, several of the region's top employers are health service providers, including MeritCare Health System and Dakota Heartland Health System. While hospitals and medical offices and clinics remain the backbone of the industry, nursing homes and other health services also have expanded, demonstrating strong growth during the 1990s both locally and nationally. Region 5's higher income levels and larger population support a wider variety of health services than in other regions of the state. An aging population will continue to support demand for these services.

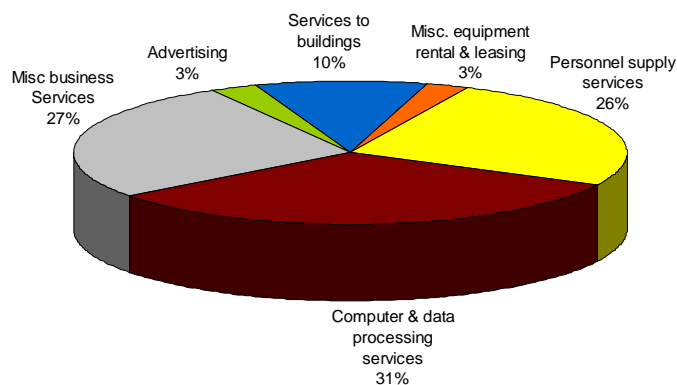
SIC 58 - Eating and Drinking Places



Eating and drinking places employ approximately 6,500 people in the Region, constituting 6.5% of total regional employment, more than twice the statewide share of 2.7%. The industry experienced strongest growth in the mid-1990s, when the opening of the Fargodome and the introduction of casinos increased visitation to the region, stimulating demand for restaurants.

IC 73 - Business Services

composition of 1998 employment

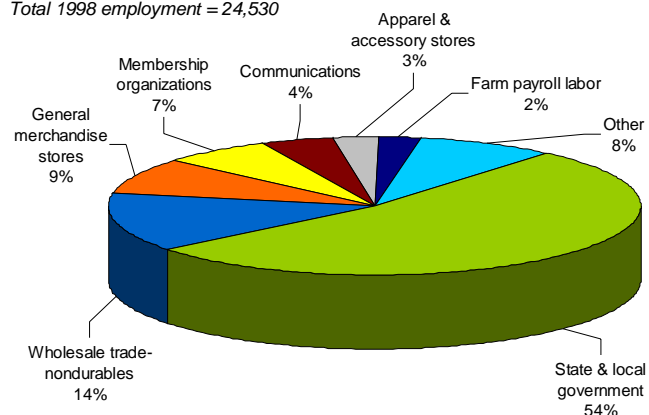


Business services employ approximately 5,400 people in Region 5, accounting for a 5.5% share of regional employment, compared to a 4% share statewide. The industry has experienced robust growth throughout the decade, adding jobs at a better than 8% annualized rate. However, the industry has not been increasing its concentration in the region, and as a result, it is classified as stable. Leading growth in high value-added computer and data services is Great Plains Software, which has expanded rapidly throughout the late 1990s and currently employs approximately 900. The tight regional labor market has also supported growth in personnel supply (temporary help) services.

Other stable industries in Region 5 include wholesale trade of durables, trucking and warehousing, federal government, food stores, social services, military personnel, and personal services; however, they are not profiled in this report. An additional eight industries are included in the stable industries group, although they each account for less than 1% of total employment.

Region 5 Declining Industries

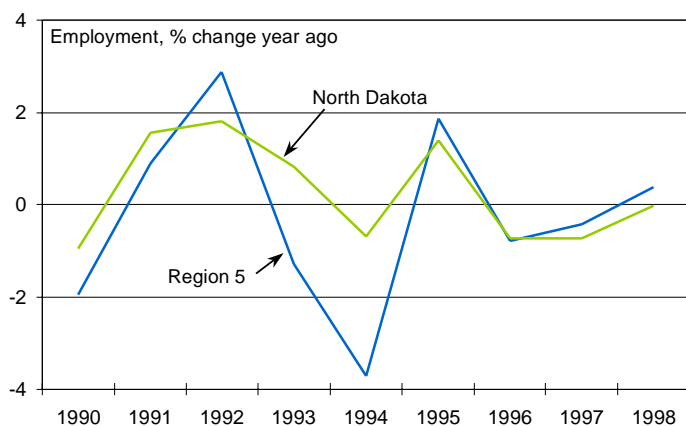
Total 1998 employment = 24,530



Declining Industries

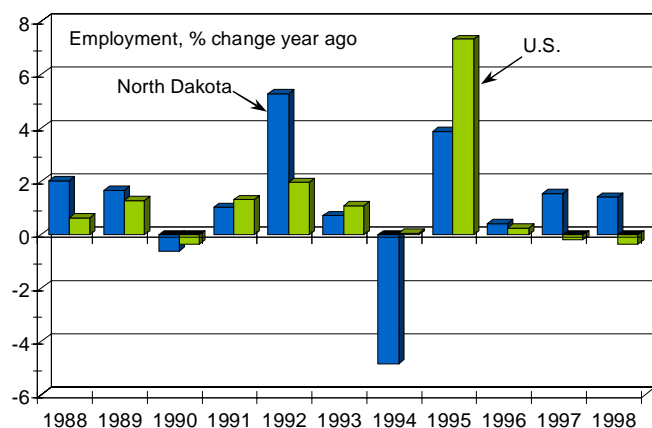
The declining industries in Region 5 employ roughly 24,500 people, accounting for 25% of regional employment, slightly lower than the average share of this same group of industries in other regions. State and local government, the region's largest industry, dominates this group. Additionally, wholesale trade of nondurables, farming, and general merchandise stores are included in this group. The declining industries group is representative of the increased diversification of the economy that has led to a decreased dominance of government employment. Region 5 is one of the few in the state that does not rely upon federal employment. Neither federal civilian nor military employment are declining industries in the region and their presence is small.

Region 5 Declining Industries



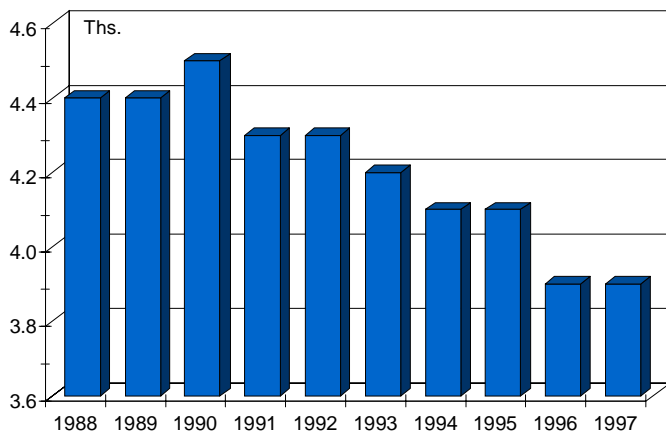
Employment in the region's declining industries mirrored the performance of the same group of industries statewide. Employment dipped substantially in 1994 as a result of job losses in state and local government and on farms. Many of the large declining industries have not been experiencing rapid employment losses, but rather have been losing concentration in the region. This indicates that these industries are not growing as fast in the region as they are nationwide, which speaks to increased diversification in the regional economy. Employment in declining industries has been falling at an annual rate of a modest 0.2% over the ten-year period, compared to slight growth of 0.3% for the same group of industries statewide.

SIC GVSL - State and Local Government



State and local government employs approximately 13,000 people in Region 5, and constitutes a 13% share of total employment, significantly less than the 18% share statewide. Although the sector has modestly increased employment over the decade, this was largely an artificial gain resulting from the reclassification of employment by Native American tribes to local government in 1995. Richland County was most strongly affected, owing to the presence of the Circle of Nations Indian School in Wahpeton. Overall, the state and local government has been losing concentration in the region as the economy continues to expand and diversify.

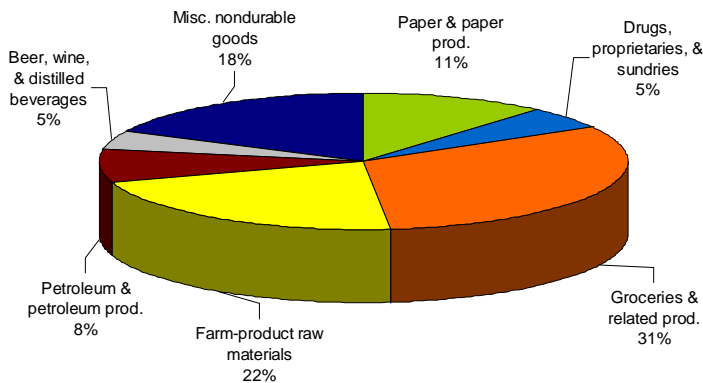
Farm Proprietorships



Farm proprietorship in Region 5 has been declining over the past decade. The region currently has approximately 3,900 farm proprietors, down from 4,500 in 1990. The region accounts for 12% of total state farm proprietors, a share that has held constant over the decade. This steady decline illustrates the effects of a weak farm economy resulting from constrained global demand, weak pricing, as well as the devastating effects of frequent flooding in the region. These problems have forced many smaller farmers to consolidate or declare bankruptcy.

SIC 51 - Wholesale Trade, Nondurables

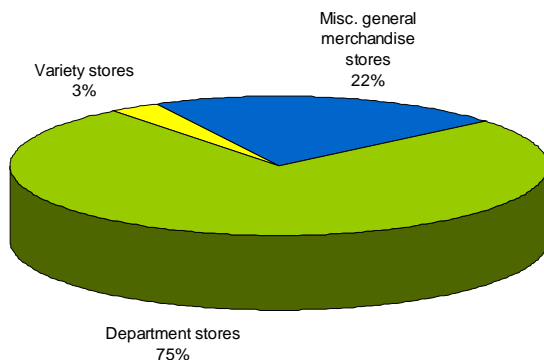
Composition Of 1998 employment



Wholesale trade of nondurable goods employs 3,400 people in Region 5, constituting nearly 3.5% of total employment, compared to 3.1% statewide. This industry has also experienced slight employment growth over the decade, yet has not grown as rapidly as the same industry nationwide, and is thus losing concentration in the region. Production in this industry is closely related to the food processing industry, as major segments include groceries and related products and farm products.

SIC 53 - General Merchandise Stores

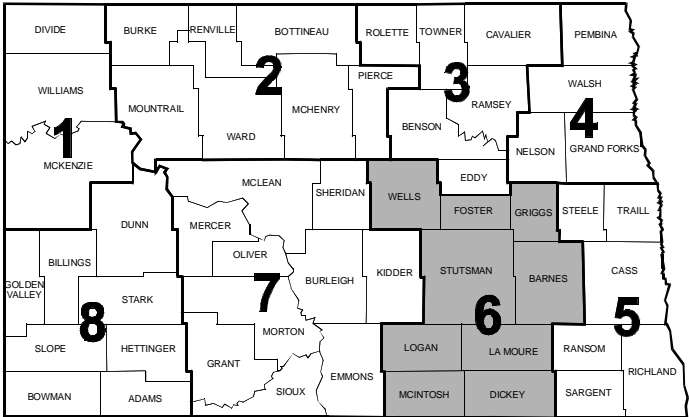
Composition Of 1998 employment



General merchandise stores employ 2,000 people in Region 5, constituting approximately 2% of total employment, slightly less than the statewide share. Within the industry, department stores comprise the lion's share of employment, including such stores as Wal-mart and Kmart, which have locations in the Fargo metropolitan area. Again, while this industry has modestly increased employment over the decade, its share of total employment in the region is declining, indicating decreased concentration in the region. A diversifying area such as Region 5 will depend less upon retail, as well as government and health services, for employment.

Other declining industries in Region 5 include membership organizations and communications. An additional fourteen industries are included in the declining industries group, however, they each account for less than 1% of total employment and are not profiled in this report.

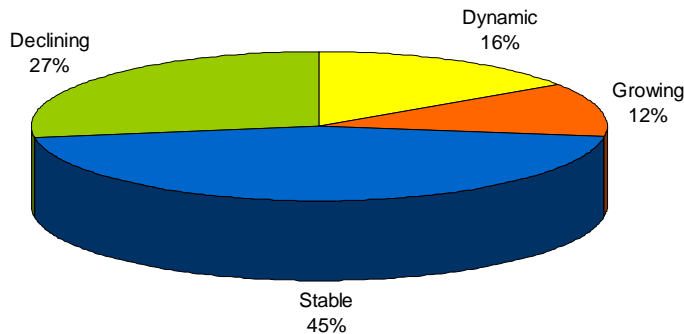
Industrial Composition - Region 6



Industrial Composition – Region 6

Region 6 Industry Distribution

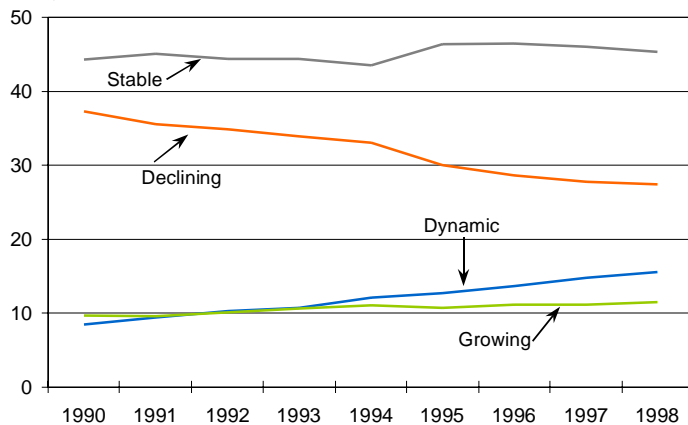
Percent share of total 1998 employment



Region 6 is a nine-county region in the east southcentral part of the state with approximately 61,000 residents or 9.5% of North Dakota's population. The region accounts for approximately 8% of North Dakota's total employment base. The largest towns are Jamestown and Valley City, which lie along Interstate 94. With a jobless rate well below 3%, the area has the second tightest labor market in the state. A declining labor force further compounds this tight market.

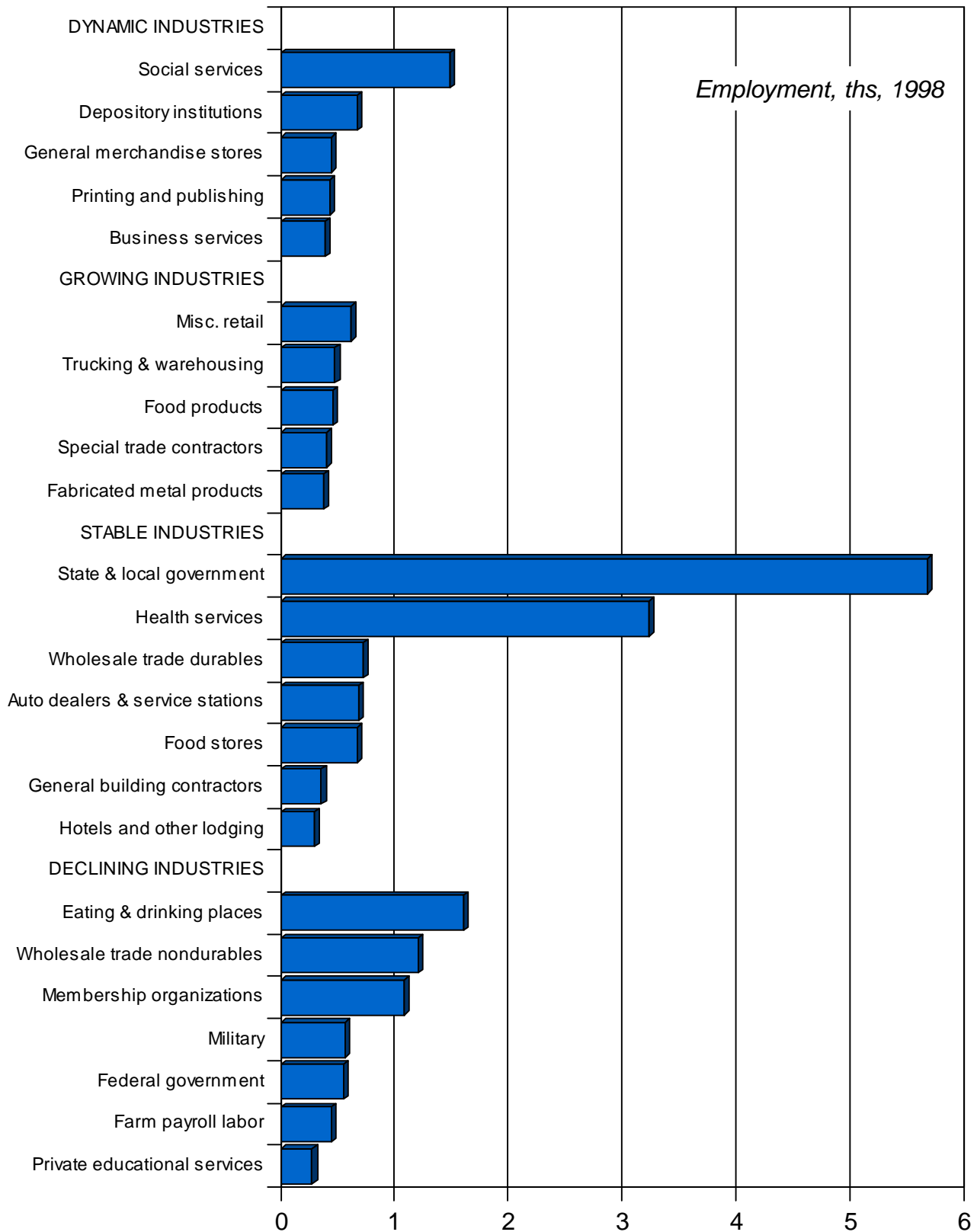
Composition of Region 6 Employment

Category share of total employment



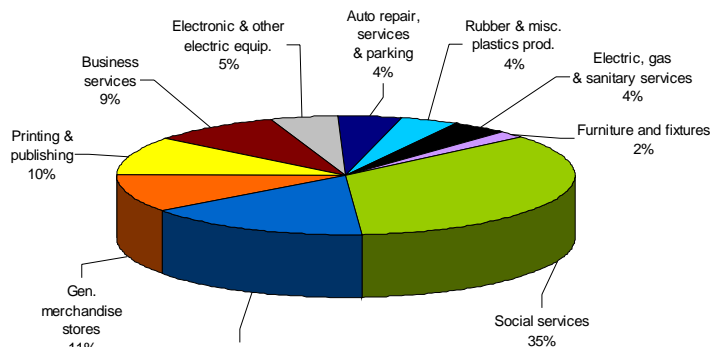
Region 6's dynamic industries account for nearly 16% of employment, posting their strongest growth rates in the middle of the decade. Thus, their share of total employment rose from roughly 7% of employment in 1988 to nearly 16% in 1998. The growing industries, likewise, have increased their share of total employment throughout the decade, now comprising 12% of employment. Growth in these two industry groups was met with a corresponding decrease in the share of employment held by declining industries. While the declining industries group still accounts for a large share of the region's employment, its share has fallen from 37% at the start of the decade to 27% at the close of the decade. Employment in the stable industry group increased only slightly during the decade, and still accounts for the most substantial share of employment in the region. The changing composition of regional employment illustrates the shift toward a generally service-based economy and away from agriculture-related industries.

Region 6 Industry Employment Profile



Region 6 Dynamic Industries

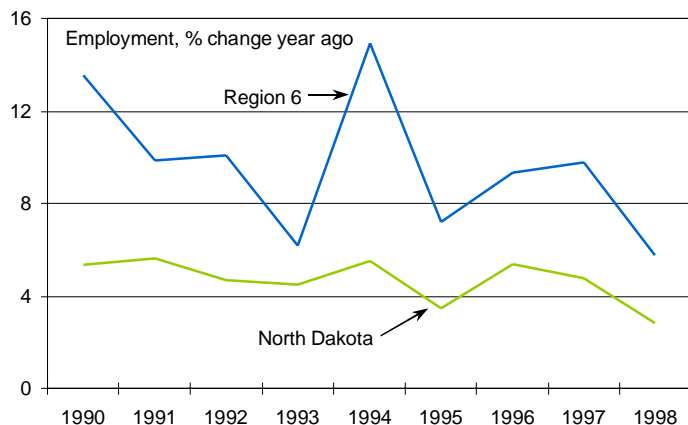
Total 1998 employment = 4,250



Dynamic Industries

Region 6's dynamic industries employ just over 4,200 people. The same group of industries accounts for a similar 14% share of statewide employment. This expanding group of dynamic industries speaks to some renewed economic growth in the region as disappearing jobs in the declining industries are replaced with new jobs within the region's dynamic industries. It is job creation within these dynamic industries that has made it the third-fastest growing region over the past decade in terms of output growth. Social services has been the fastest growing dynamic industry in the region, doubling employment since 1992, but the composition of the dynamic industries is quite diverse. The group includes financial services, manufacturing, business services, and retailing, indicating that the growth of the region is somewhat broad based.

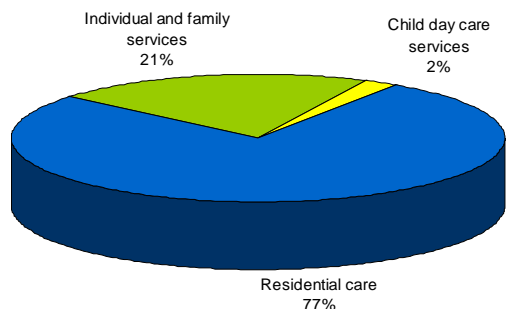
Region 6 Dynamic Industries



Employment in the region's dynamic industries has experienced solid growth throughout the decade, posting growth rates of better than 5% each year. The strongest gains were posted in 1994 when growth in social services was strongest. This group of industries has added jobs at an average pace of nearly 9% over the past decade, compared to less than 5% for the same group of industries statewide.

SIC 83 - Social Services

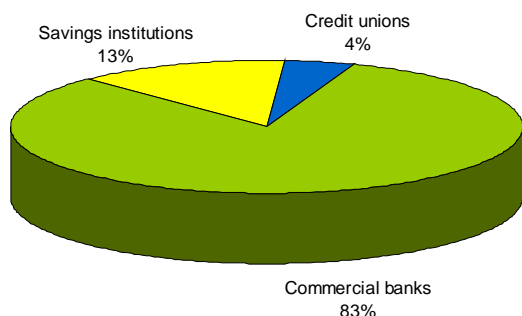
Composition of 1998 employment



Social services employ nearly 1,500 people in Region 6, accounting for 5.5% of total employment, compared to a 3% share statewide and only 2% share nationwide. The overwhelming majority of employment in the industry is in residential care, which employs more than 1,100 people, growing from less than 100 people at the start of the decade. Establishments in this industry segment include rehabilitation centers, rest homes and group homes for the physically and mentally handicapped. Individual and family services also experienced modest growth early in the decade. While the social services industry is not considered to be an engine of growth for an economy, the dynamic growth of this industry is indicative of increased demand for these services.

SIC 60 - Depository Institutions

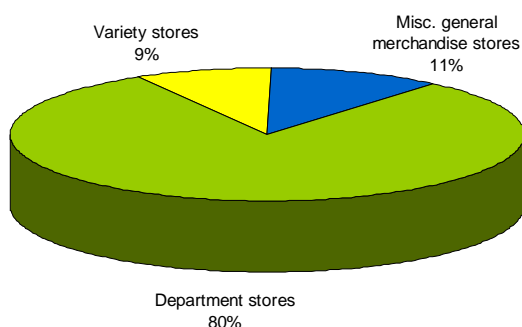
Composition of 1998 employment



Depository institutions employ approximately 670 in Region 6. The industry is fairly concentrated in the region, accounting for nearly 2.5% of total regional employment, compared to 1.5% nationwide. Employment in this industry is centered on commercial banks, which have added 100 positions since 1988. Jamestown is also home to First Community Credit Union, the largest credit union in the state.

SIC 53 - General Merchandise Stores

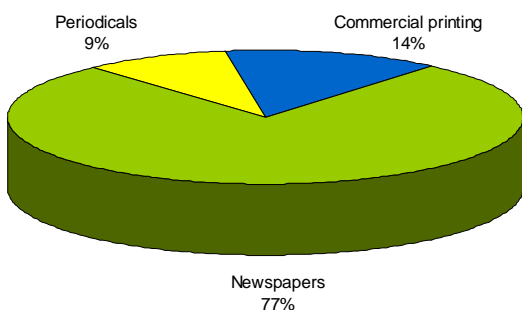
Composition of 1998 employment



General merchandise retailers employ approximately 450 people in the region. The industry accounts for 1.6% of total employment, nearly the same as the 2% share statewide. Department stores are the largest industry segment, employing 360, having added 200 workers since 1991. Jamestown serves as the region's retail center and is home to such large retailers as Kmart, Wal-Mart and J.C. Penney. The inclusion of general merchandise stores in the dynamic group is indicative of the expanding regional economy.

SIC 27 - Printing and Publishing

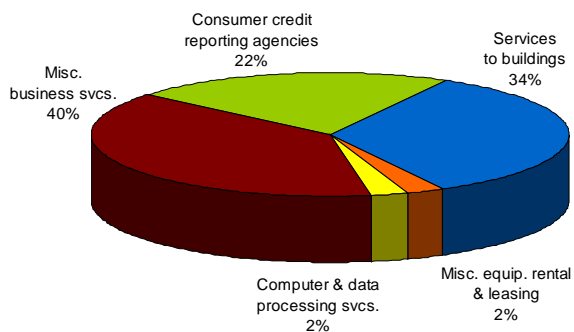
Composition of 1998 employment



Printing and publishing employs more than 400 people in Region 6. The industry is centered on newspaper publishing, which includes employment at two of the region's largest daily newspapers, the Jamestown Sun and the Valley City Times-Record. Commercial printing also has been developing a strong presence in the region with the growth of Newman Signs, Inc., which produces billboard posters and traffic signs.

SIC 73 - Business Services

Composition of 1998 employment

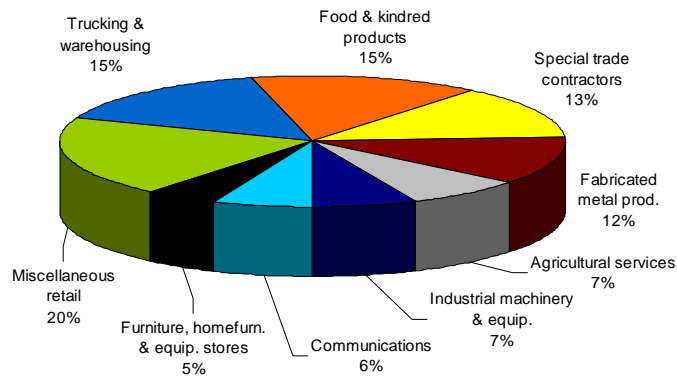


Business services employ just under 400 people in the region. The industry accounts for only around 1% of total regional employment, which is significantly less than the statewide share of 4%. However, the industry has been expanding rapidly in the region through the growth of telemarketing centers in Oakes, Valley City and Jamestown, each of which employs 100 people. Telemarketing, which functions as a service with a broad market area outside of the state, helps to expand the basic economy of the region.

Other dynamic industries in Region 6 include electronic and other electric equipment manufacturing; auto repair, services, and parking; rubber and miscellaneous plastics production; electric, gas, and sanitary services; and furniture and fixtures manufacturing. They each comprise less than 1% of the workforce, however, and are not profiled in this report.

Region 6 Growing Industries

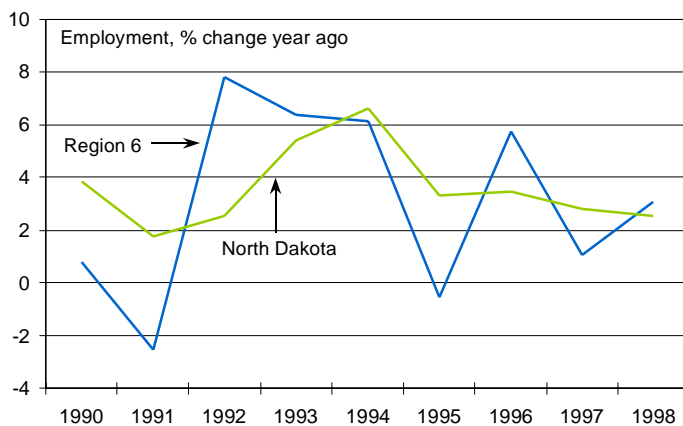
Total 1998 employment = 3,130



Growing Industries

Region 6's growing industries employ over 3,100 people. This comprises only 12% of regional employment, which is similar to the statewide share for the same group of industries. The group is comprised of a number of manufacturing industries as well as trade, transportation and construction. This composition is indicative of the growing presence of agriculture-related manufacturing in the region and a diversifying economy. The loss of such basic industries as federal employment and agriculture must be offset by other basic industries that sell their goods and services outside the region and the state in order to have the economy continue to expand.

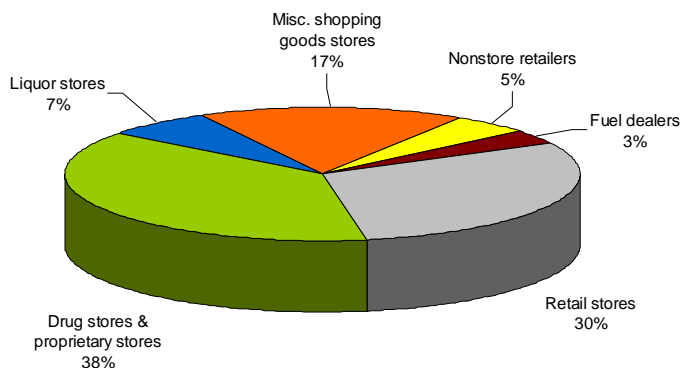
Region 6 Growing Industries



Employment growth in this industry group has been more volatile than the same group of industries statewide. Growth was strongest early in the decade, before dipping in 1995 as a result of a slight decline in industrial machinery and equipment manufacturing employment. Miscellaneous retailing, special trade contractors and trucking and warehousing have demonstrated the strongest growth in the group, together adding more than 300 jobs over the decade.

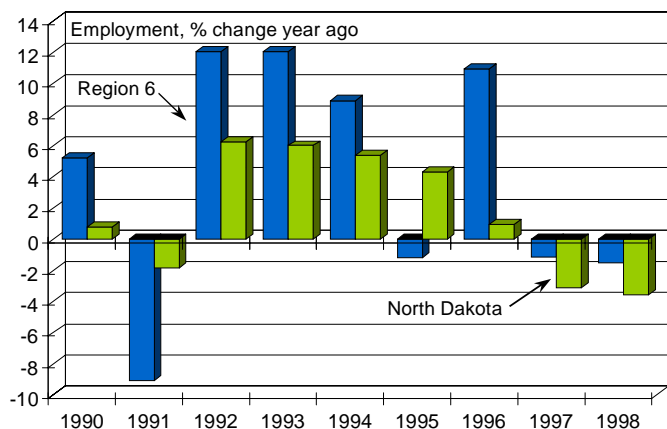
SIC 59 - Miscellaneous Retail

Composition of 1998 employment



Miscellaneous retail establishments is the largest employer in this group with approximately 600 workers in Region 6. This accounts for more than 2% of total regional employment. The industry has added over 100 jobs in the past decade, mostly in miscellaneous retail stores that are not elsewhere classified, which include specialty merchandise stores.

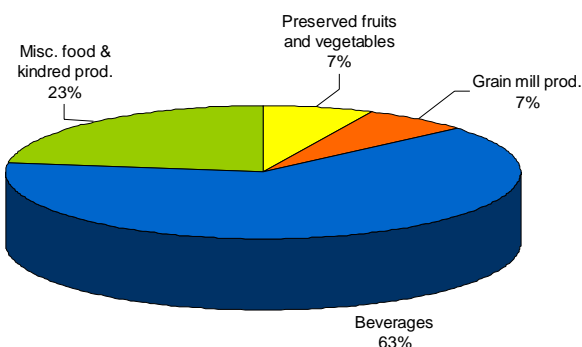
SIC 42 - Trucking and Warehousing



Trucking and warehousing employs approximately 480 people in Region 6, comprising 1.7% of total regional employment. The industry has added about 170 jobs over the past decade, for an average annual pace of over 4%. All employment in this industry is in the trucking and courier services segment, whereas there is no reported employment in public warehousing and storage. Companies in this industry include moving companies and waste removal. The industry also serves the local agriculture industry, such as animal and livestock transport and farm-to-market hauling. The location of Jamestown about halfway between Fargo and Bismarck on I-94 provides it considerable advantage for transportation services.

SIC 20 - Food & Kindred Products

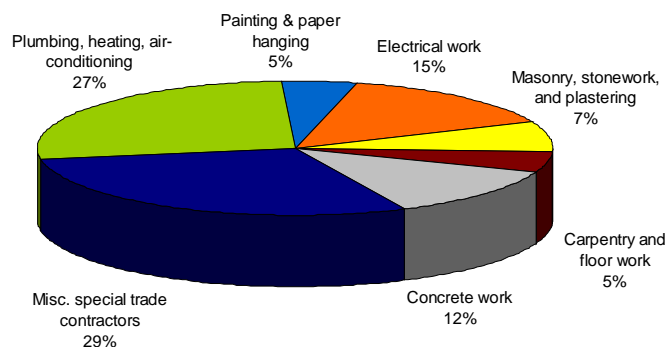
Composition of 1998 employment



Food and kindred products manufacturing employs 460 people in Region 6, accounting for just under 1.6% of total employment, about equal to the statewide share. The food processing industry is closely tied with the region's agriculture industry. Dakota Growers Pasta Company employs well over 200 people at its Carrington pasta plant. Aviko USA is another major employer, with its potato processing headquarters located in Jamestown.

SIC 17 - Special Trade Contractors

Composition of 1998 employment

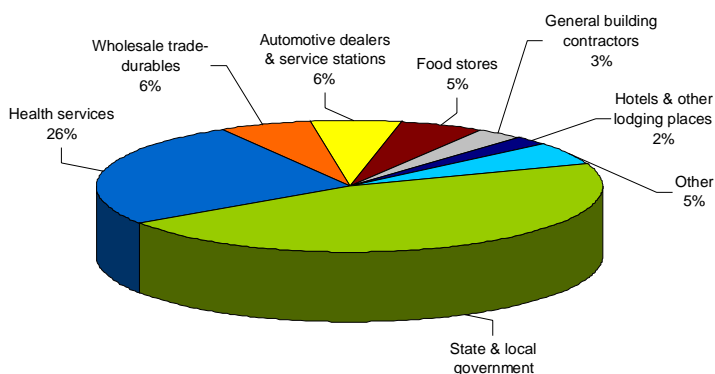


Special trade contractors employ just over 400 people in Region 6, accounting for approximately 1.4% of total employment. Strongest growth has been in plumbing, heating and air conditioning, as well as miscellaneous special trade contractors. Growth in this industry is indicative of increased development as businesses have located and expanded in the region.

Other growing industries in Region 6 include fabricated metal products and agricultural services. In addition, industrial machinery and equipment manufacturing; communications; and furniture, home furnishings and equipment stores are classified as growing industries. They each account for less than 1% of the workforce, however, and are not profiled in this report.

Region 6 Stable Industries

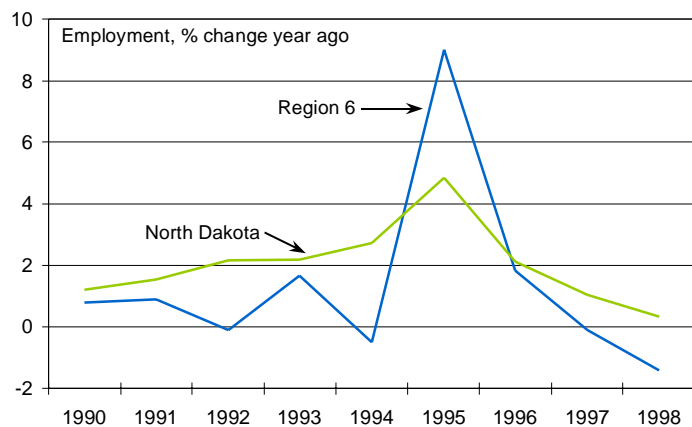
Total 1998 employment = 12,300



Stable Industries

Region 6's stable industries employ more than 12,300 people, accounting for 45% of total regional employment, compared to 42% for the same group of industries, statewide. As with other rural regions in North Dakota, the stable industries include the large state and local government and health services industries. Wholesale and retail trade industries account for most of the rest of this group.

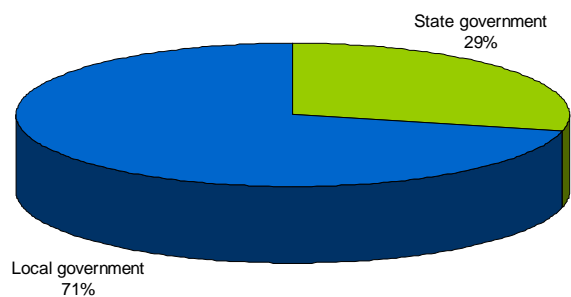
Region 6 Stable Industries



Employment in Region 6's stable industries has been more volatile than the same group of industries statewide. Over the ten-year period, growth among stable industries has averaged 1.2% per year, somewhat less than the 1.9% rate for the same group of industries statewide. The industry group has lagged the state throughout most of the decade, although the reclassification of tribal employment from membership organizations to local government provided an artificial boost in 1995. Aside from this effect, health services have driven growth in the industry group.

SIC GVSL - State and Local Government

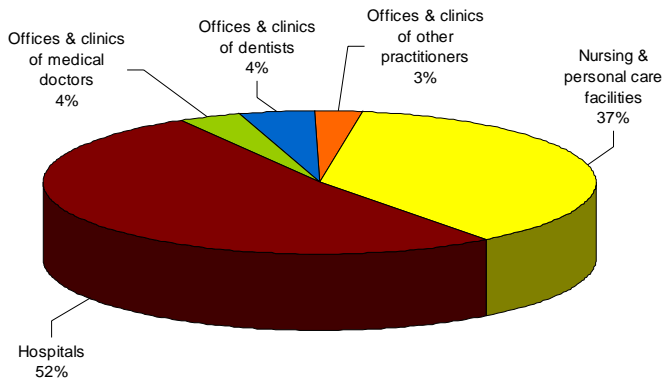
Composition of 1998 employment



State and local government employs nearly 5,700 people in Region 6, accounting for more than 20% of total regional employment, well over the statewide average of 15%. Local government accounts for more than 70% of employment in the sector, and has added slightly to its payrolls over the ten-year period. This increase, however, was affected by an artificial boost in employment in 1995, as tribal government in the region was reclassified as local government. Aside from this boost, employment in the sector has been declining. State government employs approximately 1,500 people in the region, and has been generally constant throughout the decade.

SIC 80 - Health Services

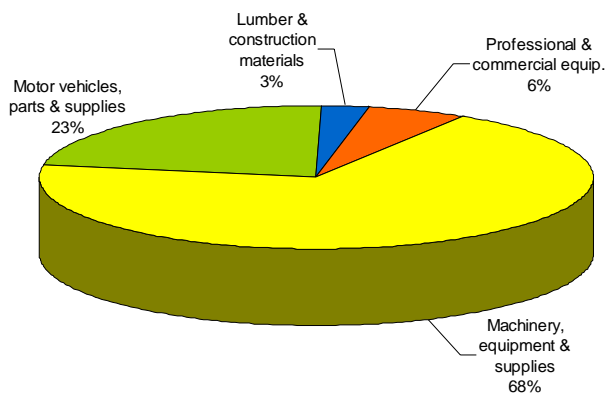
Composition of 1998 employment



Health services employs approximately 3,200 people in Region 6, accounting for 12% of total regional employment, somewhat higher than the 10% share statewide. Employment in the industry has grown steadily over the past ten years, adding approximately 800 jobs over the period. Most employment in this industry is concentrated in hospitals and nursing and personal care facilities, which are also two of the fastest growing industry segments. Jamestown Hospital and Carrington Health Center are major employers in the region. Although the industry has experienced strong employment growth, its concentration in the region has not increased vis-à-vis the state and national averages, leading health services to be classified as stable.

SIC 50 - Wholesale Trade, Durables

Composition of 1998 employment

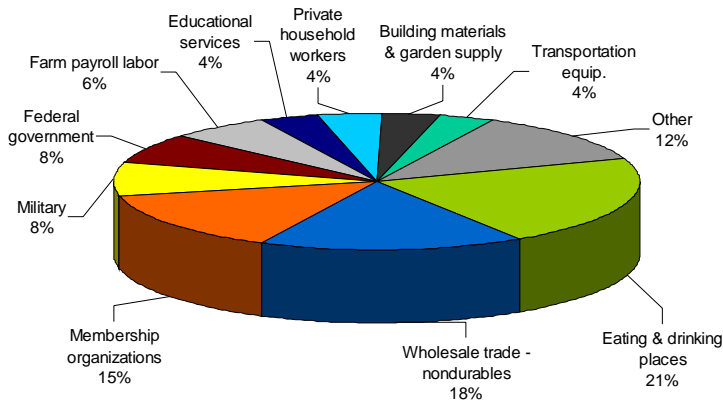


Wholesale trade of durable goods employs nearly 900 people in Region 6, accounting for approximately 2.7% of regional employment, below the statewide average of 3.2%. While enjoying healthy growth throughout most of the decade, the industry's concentration in the region relative to the state and national average has been generally unchanged, making it a stable industry. Most employment in the industry is concentrated in machinery, equipment and supplies, serving major industrial equipment manufacturers such as Lucas Western, Inc., which manufactures aircraft parts, as well as Duratech Industries and Ag Air Manufacturing, which produce farm machinery.

Other stable industries in Region 6 include auto dealers and service stations, food stores, general building contractors, and hotels and other lodging places. In addition, insurance agents, brokers and services; amusement and recreation services; heavy construction; nondepository institutions; and legal services are in the stable industries group. They each account for less than 1% of total employment, however, and are not profiled in this report.

Region 6 Declining Industries

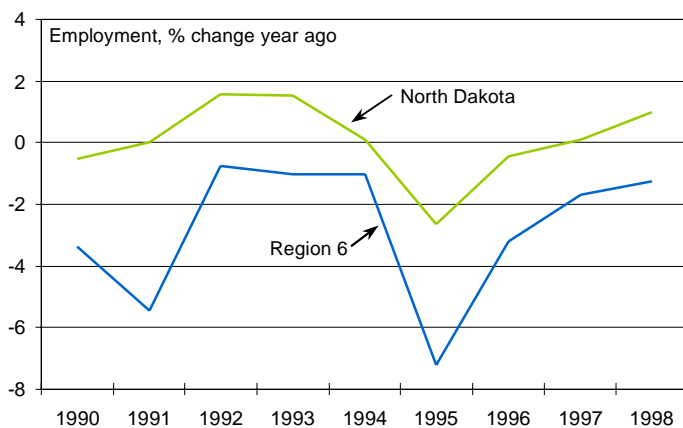
Total 1998 employment = 7,450



Declining Industries

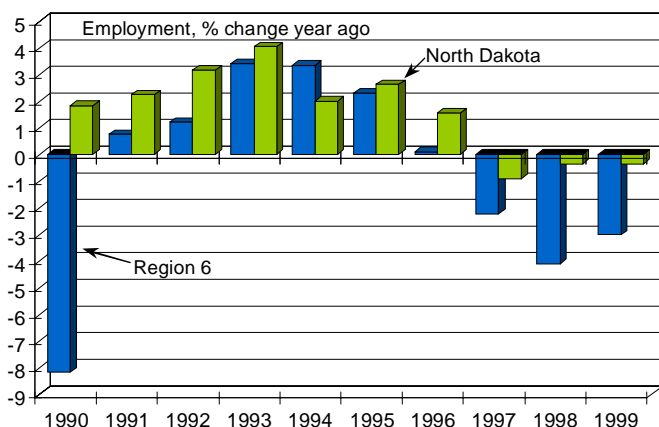
The declining industries in Region 6 employ more than 7,450 people, constituting more than 27% of total employment, in line with the statewide average. The industry group is comprised of old-line industries, such as membership organizations, farms and military, as well as the wholesale trade of nondurable goods and eating and drinking places. The declining industry group represents the diminished importance of these industries to the regional economy.

Region 6 Declining Industries



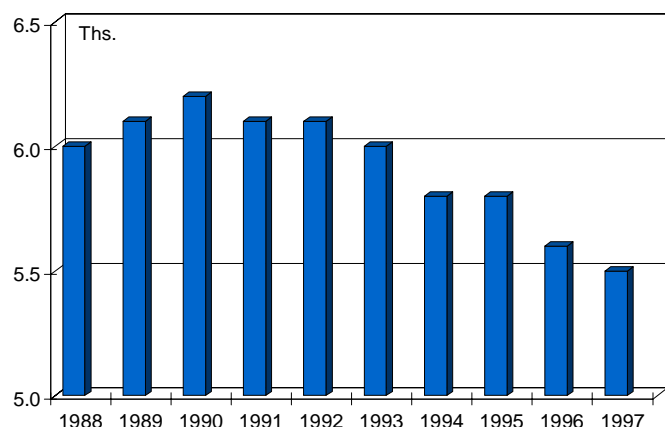
Employment in the region's declining industries has consistently underperformed the same group of industries statewide. Employment in the industry group has been declining at an annual rate of over 2.7% over the ten-year period, even as employment in the same group of industries statewide has increased slightly, by just under 1% per year on an annualized basis. The dip in employment in 1995 was due to a dip in employment with membership organizations, as well as a substantial decline in private educational services employment.

SIC 58 - Eating and Drinking Places



Eating and drinking places employ roughly 1,600 people in Region 6, accounting for nearly 6% of total employment. Employment in the industry has been quite volatile over the decade, exaggerating the regional economy's growth pattern.

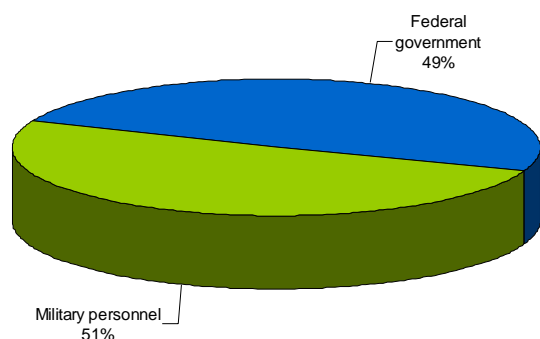
Farm Proprietorships



Agriculture-related industries contribute substantially to the region's economy. The region is home to 5,500 farm proprietors, primarily involved in cattle ranching and grain production. The agriculture industry has been suffering from weak pricing resulting from lower global demand and overproduction. As a result, many proprietors have been compelled to consolidate their operations or file for bankruptcy. These factors have contributed to the decline in farm proprietors and agriculture employment in the region throughout the second half of the decade.

Federal Government and Military Employment

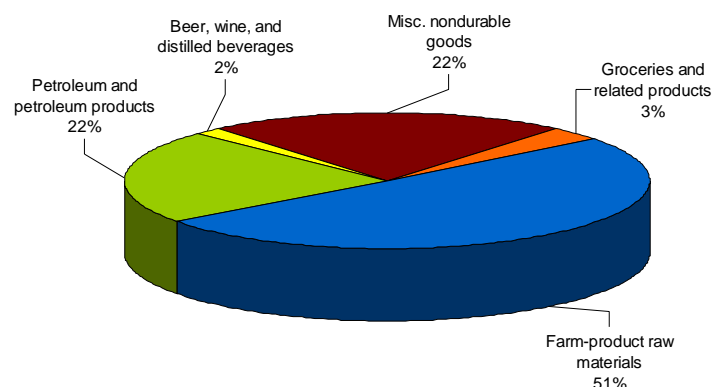
Composition Of 1998 employment



Federal government and military personnel together employ more than 1,000 people in Region 6. The group accounts for 4% of regional employment. Federal government employment in the region is concentrated in the U.S. Postal Service as well as with the Department of Agriculture and the Department of the Interior. Military employment accounts for around 570 jobs in the region, declining from 700 in 1988.

SIC 51 - Wholesale Trade, Nondurables

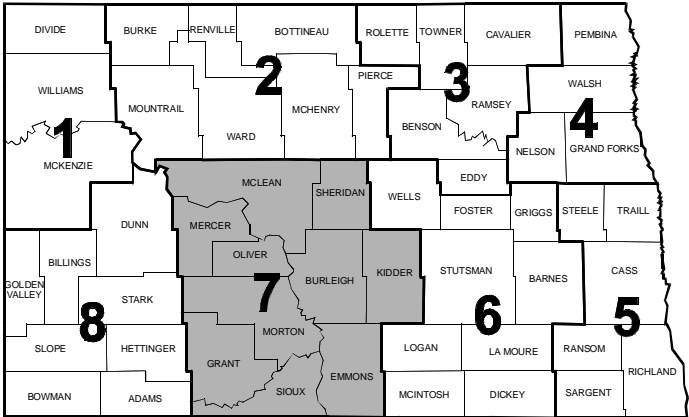
Composition Of 1998 employment



Wholesale trade of nondurable goods employs 1,200 people in Region 6, accounting for 4.4% of total employment. The industry is slightly more concentrated in the region, as wholesale trade of nondurable goods accounts for roughly 3% statewide and only 2% nationally. This concentration can be attributed to the strong presence of food processing and agriculture in the region, as farm products and groceries comprise a large part of the industry. Each of those components is declining, except for miscellaneous nondurable goods, which added 130 jobs over the ten-year period.

Other declining industries in Region 6 include private educational services and private household workers. An additional fifteen industries are included in the declining industry group, however, they each account for less than 1% of total employment, and are not profiled in this report. The breadth of declining industries is a weakness for Region 6.

Industrial Composition - Region 7

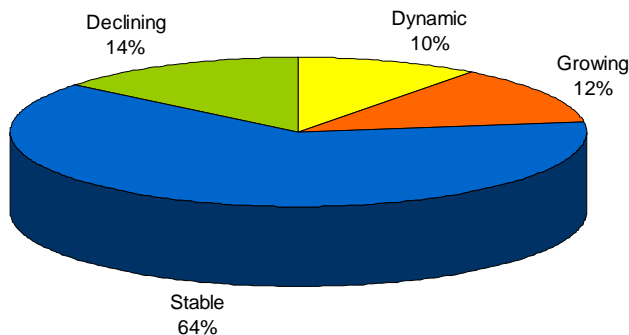


Industrial Composition – Region 7

Region 7 is a ten-county region in the west southcentral part of the state. The region is home to the state capital of Bismarck, and has more than 128,000 residents or one-fifth of North Dakota's population. The region accounts for approximately 19% of North Dakota's total employment. The region's economy is dominated by the Bismarck-Mandan metropolitan area, which lies along the banks of the Missouri River. The region also includes a portion of the Standing Rock Indian Reservation. The state capital of Bismarck provides the region with a higher concentration of state government, which accounts for 8.9% of employment. This dependence has diminished only slightly from the 9.5% share held in the early 1990s. The government has added to its payrolls at a pace similar to overall employment growth throughout much of the decade.

Region 7 Industry Distribution

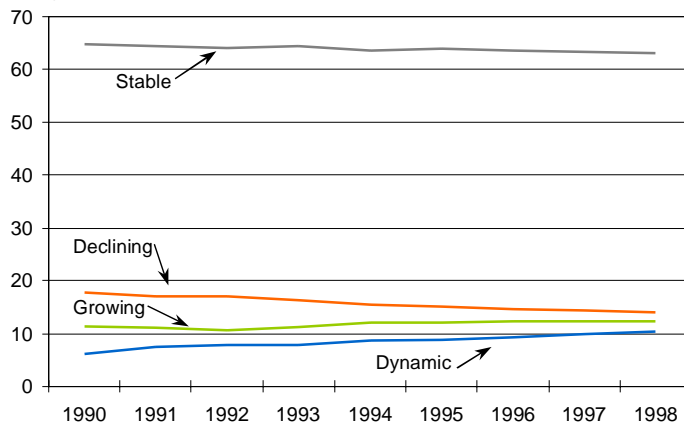
Percent share of total 1998 employment



Region 7's dynamic industries group employs a relatively small 10% of the work force and is made up of business and financial services and high-end manufacturing industries. This share is the smallest of any of the regional dynamic groups in the state. The region's growing industries group accounts for just a slightly larger 12% share of employment and is dominated by service, construction and retail industries. Region 7's stable industries account for a very large 64% of total region employment. This industry group is so large because of the dominance of state government in the region. The stable group of industries also includes health services and eating and drinking places. The declining industries group accounts for 14% of regional employment, the smallest share of any of the regions. This group includes agriculture-related industries such as farms, food processing, and wholesale trade of nondurables, as well as general retail trade and membership organizations.

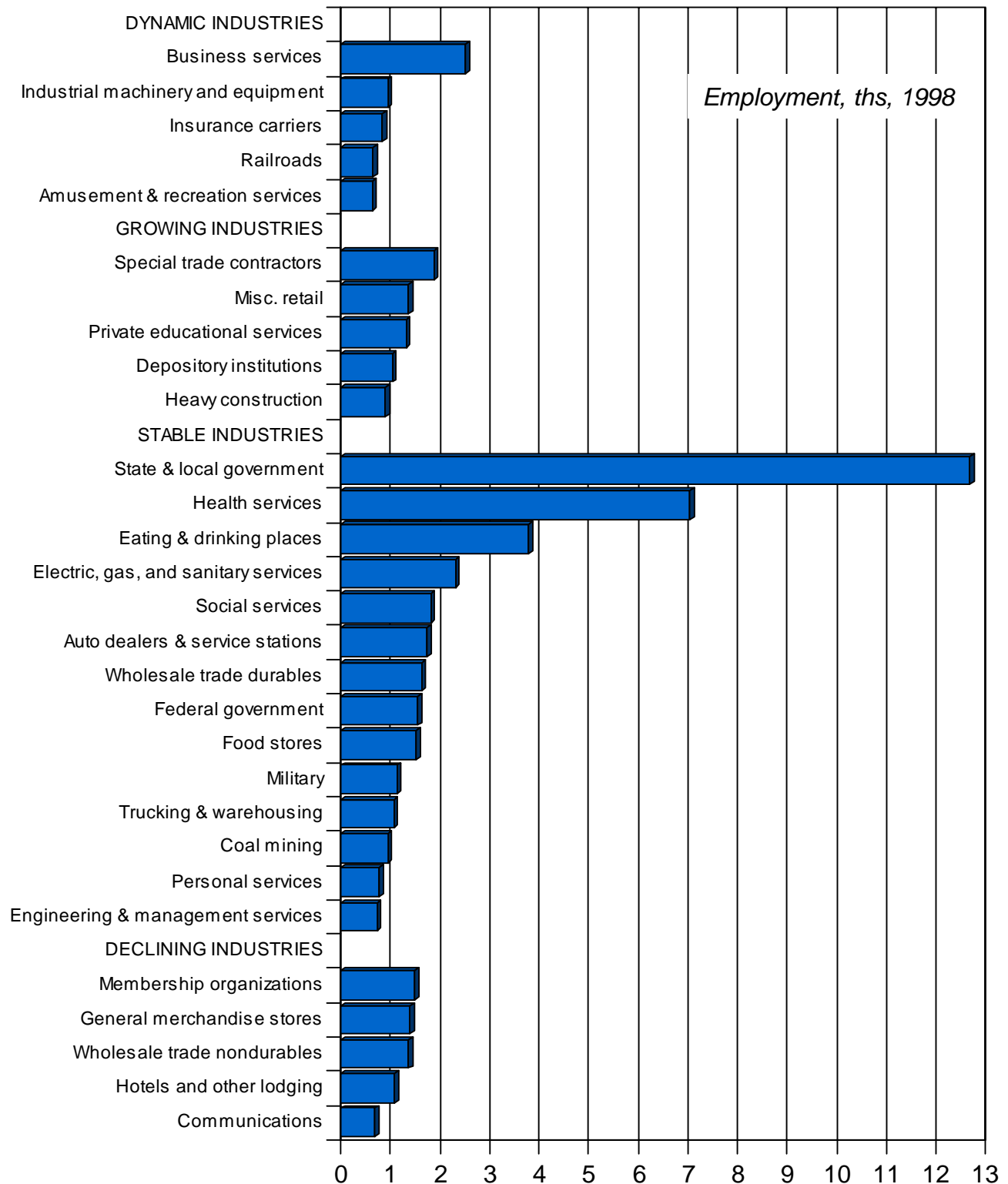
Composition of Region 7 Employment

Category share of total employment



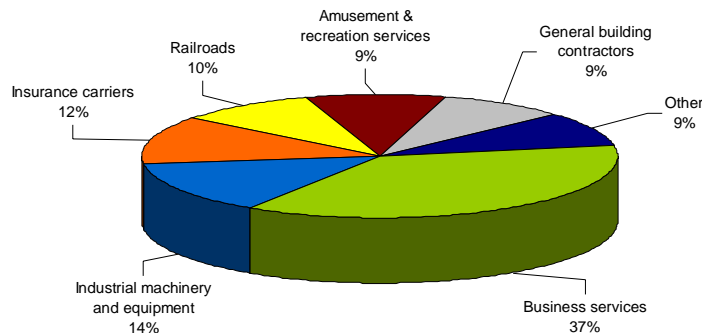
By its very definition, employment in Region 7's dynamic industries has increased the most rapidly throughout the decade, but its increase in share of total employment has been limited by the large size of the stable industries group. The dynamic industries have risen from 6.6% of employment in 1990 to more than 10% in 1998. Conversely, declining industries steadily decreased as a share of employment during the same period, from 17% of employment at the start of the decade to 14% in 1998. The growing industries group modestly increased its share of regional employment and the stable industry group's share declined slightly during the 1990s. There has been little structural change in Region 7's economy over the decade.

Region 7 Industry Employment Profile



Region 7 Dynamic Industries

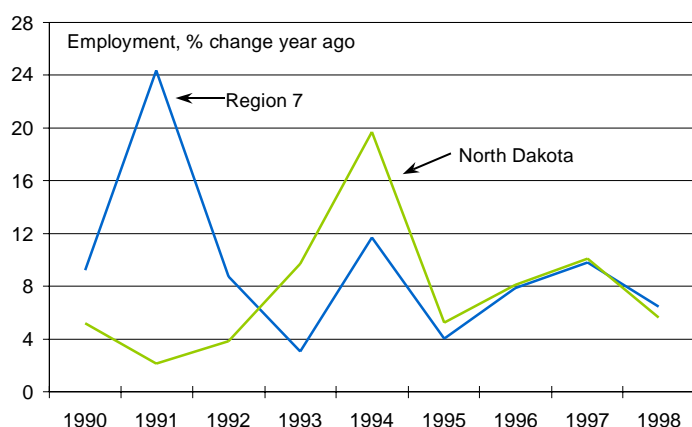
Total 1998 employment = 6,790



Dynamic Industries

Region 7's dynamic industries employ nearly 6,800 people, comprising approximately 10% of total regional employment. Business services have been the major engine of growth for the region, adding over 1,600 jobs throughout the decade. While related, in part, to the growth of state government, the dynamic industries are also leading to some diversification of the economy as industrial machinery manufacturing, insurance carriers, railroads, and amusement and recreation services have also been strong performers throughout the decade. The industries in this group are characterized by their wide variety across various industries and occupations and by the fact that, for the most part, they contribute to the expansion of the region's basic economic structure.

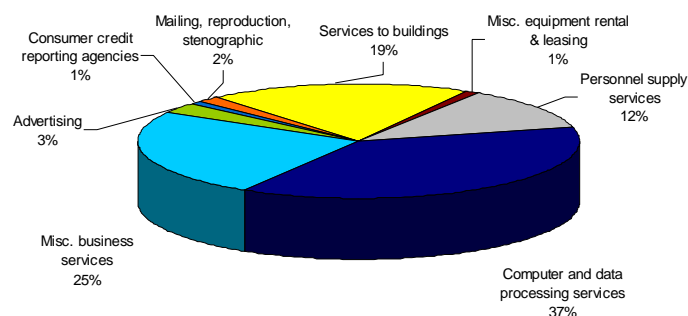
Region 7 Dynamic Industries



Employment in the region's dynamic industries experienced rapid growth in the early part of the decade, when growth in insurance services and railroads was strongest. Healthy growth continued through the second half of the decade. The dynamic industries added jobs at a nearly 9% annualized pace over the decade, compared to a 7.5% rate for the same group of industries statewide. In recent years, growth of the dynamic industries has been in line with the statewide average.

SIC 73 - Business Services

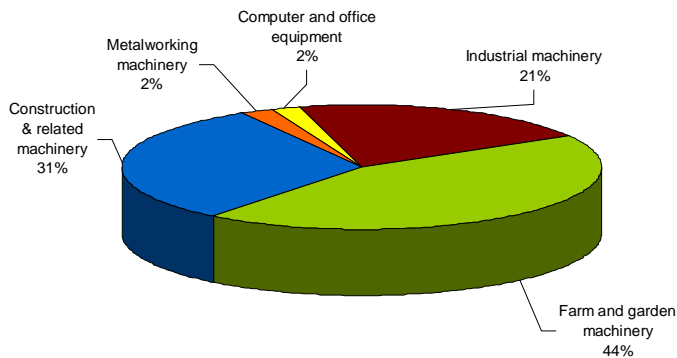
Composition of 1998 employment



Business services employ over 2,500 people in Region 7, as employment in the industry has nearly tripled since 1988. Business services now account for nearly 4% of regional employment, just below the statewide average. The largest component of business services is computer and data processing services. Growth in business services have mirrored the statewide pattern, with the most rapid growth occurring in 1994 with the expansion of Sykes Enterprises, which employs close to 900 people and is a major employer in the region. Other business service firms have sprung up in the Bismarck-Mandan area, as well, including the North Dakota Central Data Cooperative, which is involved in software development, and Dakota Development, which provides telemarketing for financial and insurance services.

SIC 35 - Industrial Machinery and Equipment

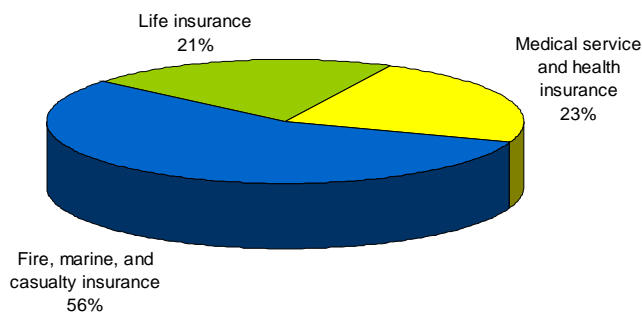
Composition of 1998 employment



Industrial machinery and equipment manufacturing employs nearly 1,000 in the region, accounting for a 1.5% share of total employment, in line with the statewide average. Melroe Company, a subsidiary of Ingersoll-Rand that produces farm machinery and Bobcat loaders, leads employment in the local industry. The Bismarck plant employs 840 workers. As wages in durable goods manufacturing industries such as this tend to be fairly high, the growth of industrial machinery manufacturing in the region provides some upside potential for the economy.

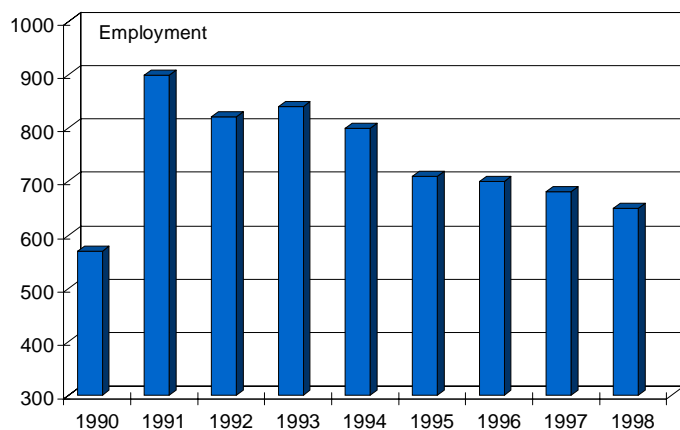
SIC 63 - Insurance Carriers

Composition of 1998 employment



Insurance carriers account for more than 800 jobs in the region, accounting for 1.3% of employment in the region, compared to just 1% statewide. The stronger presence in the region can be attributed to the presence of Aetna/US Healthcare's service center in Bismarck. The company provides claims processing and customer service and employs nearly 700 workers. As this company has expanded, the industry has added 400 jobs since 1995.

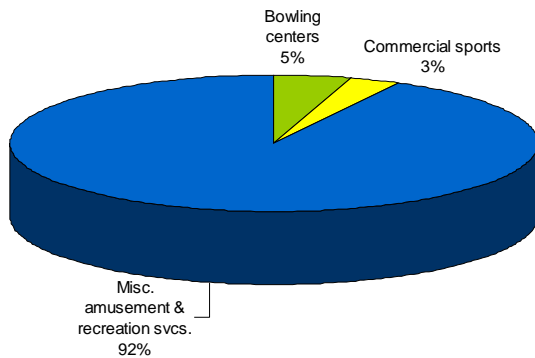
SIC 40 - Railroads



Railroads employ 650 people in Region 7, accounting for 1% of total employment. The Burlington Northern-Santa Fe rail line runs through the heart of the region, providing transport for the region's agricultural products. Employment in the industry increased dramatically in 1991, as the farm economy recovered and increased demand for these distribution services. Employment has been declining in recent years, as agricultural production has decreased and the industry has consolidated.

SIC 79 - Amusement and Recreation Services

Composition of 1998 employment

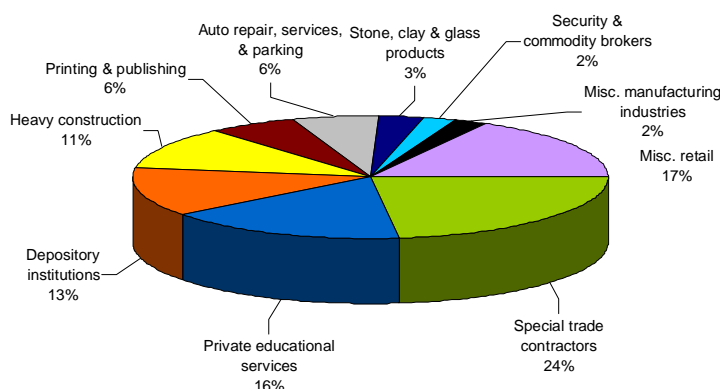


Amusement and recreation services employ 640 people in Region 7, a share of just under 1%, similar to the statewide share. The industry is concentrated in miscellaneous amusement and recreation services, which includes employment in casinos. This industry segment experienced its strongest growth mid-decade, with the legalization of casino gaming on Indian reservations. Many casinos are located on or near the Standing Rock Indian Reservation, which is the location of the largest casino in the region, Prairie Knights Casino in Fort Yates.

Other dynamic industries in Region 7 include general building contractors; transportation by air; fabricated metal products; services not elsewhere classified; lumber and wood products; apparel and other textile products; transportation equipment; and holding and other investment offices. They each account for less than 1% of the workforce, however, and are not profiled in this report.

Region 7 Growing Industries

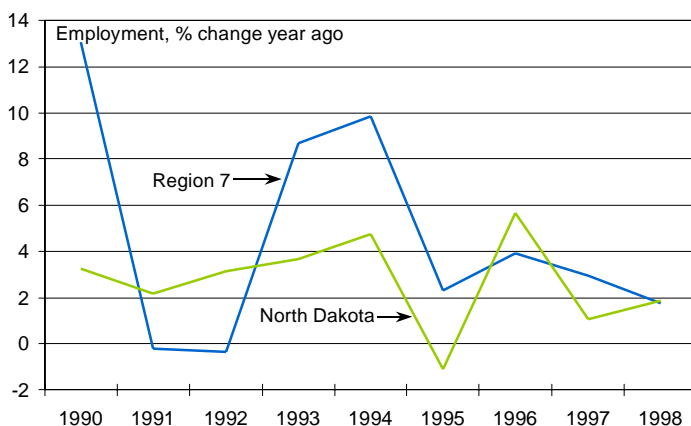
Total 1998 employment = 8,090



Growing Industries

Region 7's growing industries employ approximately 8,000 people, comprising 12% of regional employment. The same group of industries, statewide, accounts for just over 9% of total employment. Included among the growing industries group are construction-related industries as well as retail, educational and banking services that characterize the growing demand for these services in an expanding metropolitan area.

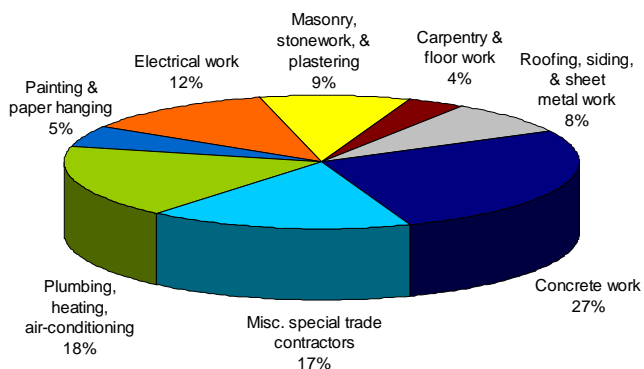
Region 7 Growing Industries



Employment growth in the growing industry group has been more volatile than the same group of industries statewide. The industries expanded their employment at a healthy annual pace of 4.3% during the ten-year period, nearly double the 2.4% rate for the same group of industries statewide. Within the region, much of the growth took place in 1993 and 1994, owing to the strong growth of educational services and heavy construction employment.

SIC 17 - Special Trade Contractors

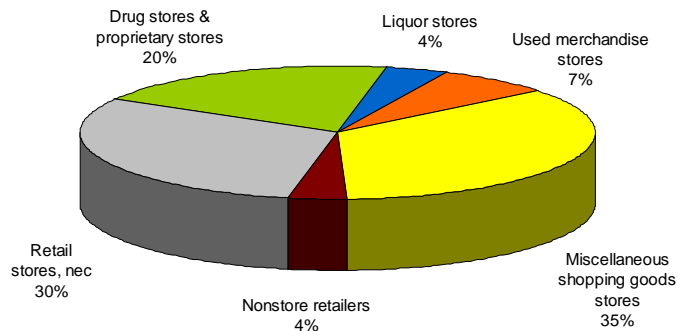
Composition of 1998 employment



Special trade contractors employ nearly 1,900 people in Region 7, constituting nearly 3% of total regional employment, about one half a percentage point more than the statewide average. The industry added jobs at a 6% average annual pace since 1988 and was led by growth in concrete workers, which added more than 400 jobs over the decade. Other large segments of the industry include plumbing, heating and air conditioning, electrical work, and miscellaneous special trade contractors, which also tend to be highly paid trade positions. Employment growth in this industry is representative of the increased level of development in the Bismarck metro area.

SIC 59 - Miscellaneous Retail

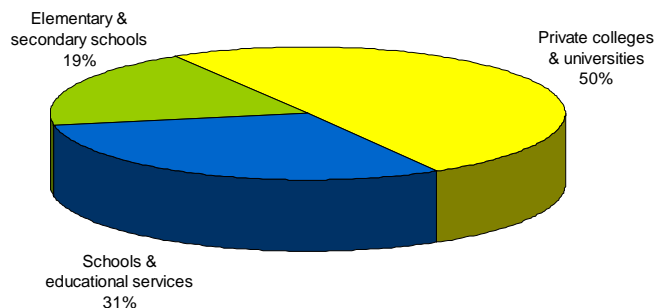
Composition of 1998 employment



Miscellaneous retailers employ more than 1,300 people in Region 7, constituting over 2% of regional employment. The industry has added over 260 jobs in the retail stores not-elsewhere-classified segment, which includes specialty merchandise stores. Miscellaneous retailers include drug stores, liquor stores and resale shops, as well as other sundry retail shops. Growth in this industry is consistent with the expansion of retail establishments statewide.

SIC 82 - Private Educational Services

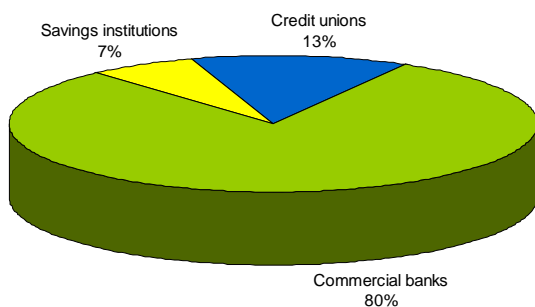
Composition of 1998 employment



Private educational services employ more than 1,300 people, accounting for 2% of regional employment. The industry has added 530 jobs over the decade, led by growth of schools and educational services. The growing popularity of supplemental educational resources, such as Sylvan Learning Center and Kaplan Test Prep, each with a location in Bismarck, has supported the growth of educational services. Other educational enrichment opportunities are expanding in the region, with the 1992 opening of Theo Art School, which now enrolls over 400 students. Furthermore, increasing enrollment at private local institutions of higher education, such as the University of Mary, have supported growth in private college and university employment.

SIC 60 - Depository Institutions

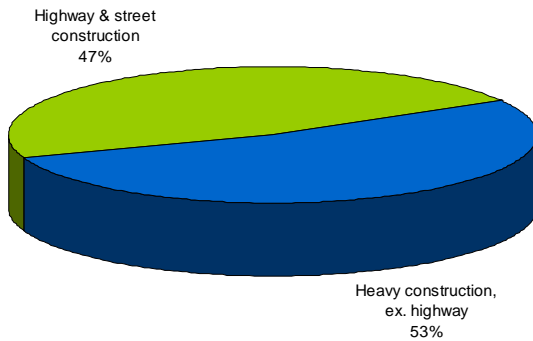
Composition of 1998 employment



Depository institutions employ more than 1,000 people in Region 7, accounting for 1.6% of regional employment. The industry is centered on commercial banking, which has added approximately 180 jobs over the past decade. Credit unions have also been increasing their presence in the region. In 1990, employment in this industry segment was 10% of the industry total; that share increased steadily over the decade to 13% in 1998.

SIC 16 - Heavy Construction

Composition of 1998 employment

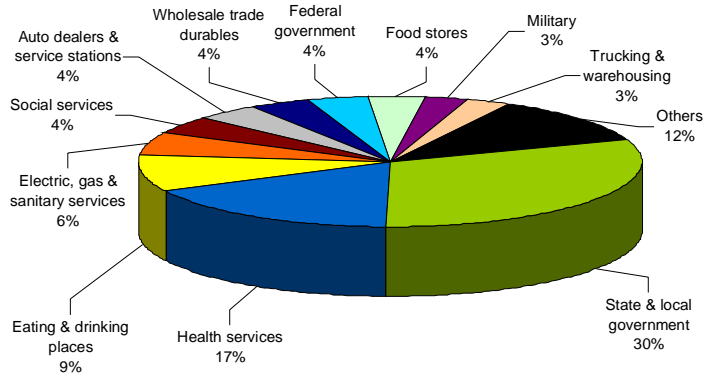


Heavy construction employs about 900 people in Region 7. The industry is involved in infrastructure development, including road construction. Employment in the industry has steadily expanded throughout most of the decade, reflecting the increased development of the region, particularly in the economic center of Bismarck. As regional economic growth has slowed in the past two years, growth in the industry has correspondingly slowed.

Other growing industries in Region 7 include printing and publishing; auto repair, services and parking; stone, clay and glass products; security and commodity brokers; miscellaneous manufacturing industries; and miscellaneous retail stores. They each account for less than 1% of total employment, however, and are not profiled in this report.

Region 7 Stable Industries

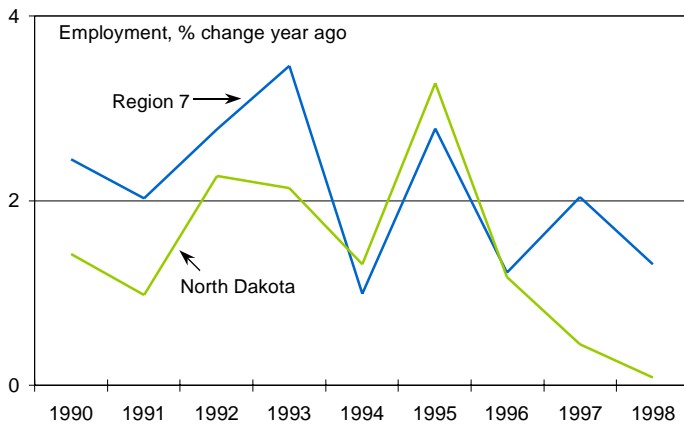
Total 1998 employment = 41,160



Stable Industries

Region 7's stable industries employ more than 41,000 people, accounting for a whopping 64% of total regional employment, compared to 60% held by the same group of industries statewide. Employment by state government in the Bismarck area is the most prominent feature of this industry group. Health services is also a large component of this industry group. Although these industries are usually not considered a part of a region's export base, they do provide stability for the area's economy. While state government and health services dominate the stable industries, they are complemented by a wide variety of smaller service and trade industries.

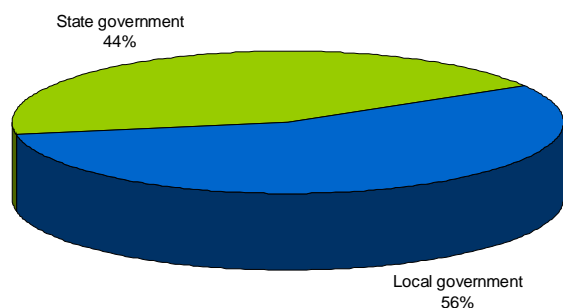
Region 7 Stable Industries



Employment in Region 7's stable industries has been generally stronger than the same group of industries, statewide. Over the ten-year period, growth among stable industries has averaged a healthy 2.2% rate per year, compared to 1.4% for the same group of industries, statewide. The industries experienced stronger growth in the mid-1990s owing to strength in the health services industry. Growth over the decade was not enough, however, to shift health services or other components of this category into the growing industries group. Their concentration within the regional economy remained largely unchanged over the course of the decade.

SIC GVSL - State and Local Government

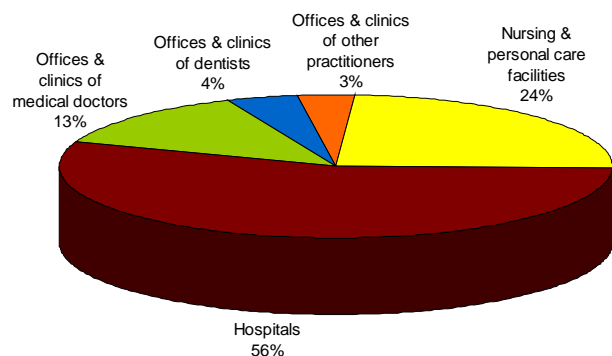
Composition of 1998 employment



State and local government is an important industry to the region, due to the presence of the state capital at Bismarck. They employ nearly 12,700 people in the region, a share of nearly 20%. Given the presence of the capital, it is remarkable that this share is not higher; it is equal to the 20% share of employment in state and local government statewide. What this does indicate is that the entire state relies disproportionately upon state and local government for employment. Nationwide its share is less than 14%.

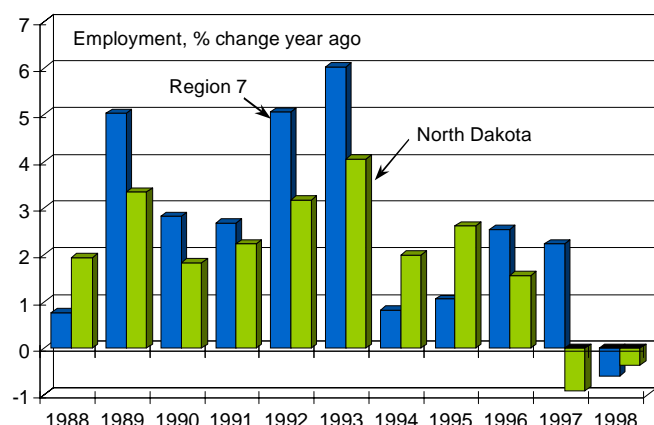
SIC 80 - Health Services

Composition of 1998 employment



Health services employ more than 7,000 people in Region 7, comprising nearly 10% of total regional employment, in line with the statewide share. Several of the region's top employers are health service providers, including hospitals such as Medcenter One and St. Alexius Medical Center in Bismarck. Each of these hospitals employs 2,000 or more people. Additionally, an aging population is increasing demand for nursing and residential care facilities, which have experienced strong growth throughout the decade. Bismarck's status as a regional health center for the surrounding rural counties will support continued growth for health services going forward.

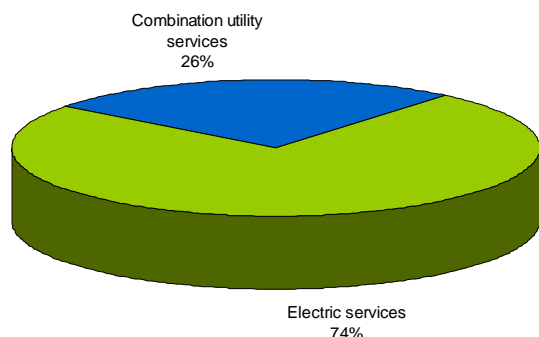
SIC 58 - Eating and Drinking Places



Eating and drinking places employ more than 3,800 people in Region 7, accounting for 5.8% of regional employment, somewhat less than the statewide average of 6.1%. While enjoying modest growth throughout most of the decade, employment growth in this industry has stalled since 1997, mirroring the slowdown in regional employment growth. Most employment in this industry is located in Burleigh County, where the regional center of Bismarck is located.

SIC 49 - Electric, Gas and Sanitary Services

Composition of 1998 employment

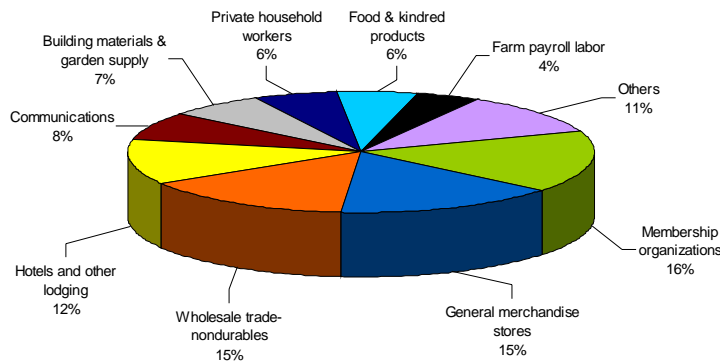


Electric, gas and sanitary services employ more than 2,300 people in Region 7, accounting for over 3.5% of regional employment, far higher than the statewide share of 1.3%. The largest industry component is electric services. This segment includes employment with one of the region's major employers, Basin Electric Power Co-op. The Dakota Gasification Co. employs nearly 400 people at its Beulah plant. The company is involved in the conversion of the lignite coal produced in the northern part of the region to natural gas.

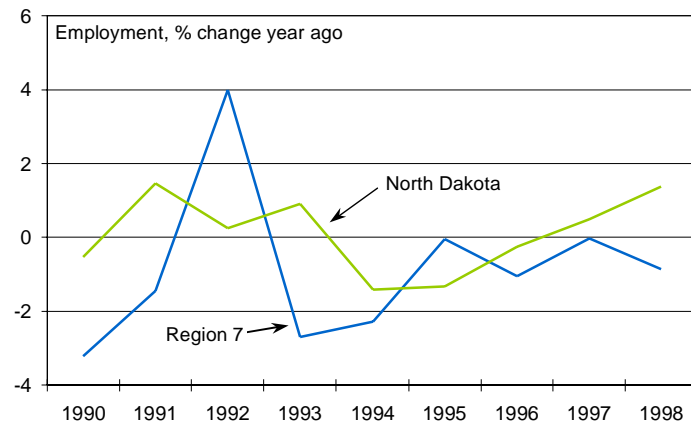
Another eighteen industries are included in the stable industries group; however, they are not profiled in this report. The largest of these include social services, auto dealers and service stations, and wholesale trade of durable goods. The breadth of stable industries in the region is an upside for the region, as it provides a steady base of employment for the region's workers.

Region 7 Declining Industries

Total 1998 employment = 9,130

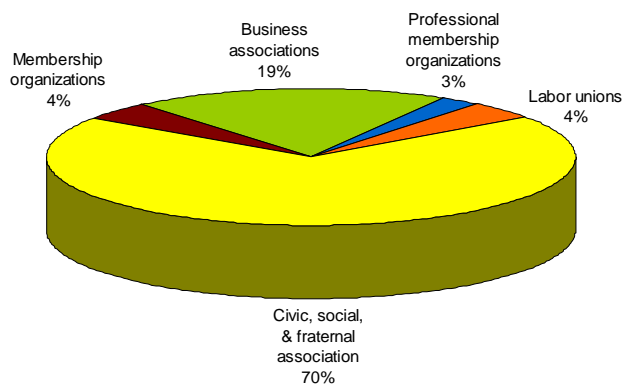


Region 7 Declining Industries



SIC 86 - Membership Organizations

Composition Of 1998 employment



Declining Industries

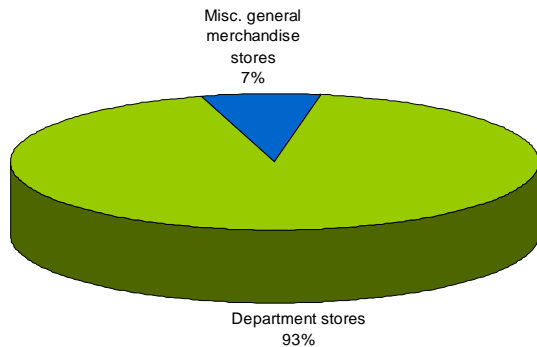
The declining industries in Region 7 employ more than 9,000 people, accounting for 14% of total regional employment, compared to a 17% share for the same group of industries statewide. The largest declining sectors include membership organizations, which suffered an artificial decline with the reclassification of tribal employment in 1995, as well as general merchandise stores, wholesale trade of nondurables and hotels. The distribution of declining industries is rather broad, indicating that the region is not exposed to any single industry that is declining rapidly. Rather, the group is made up of a broad group of trade and service industries whose relative concentration in the region is declining. Also, several of the declining industries are related to agriculture, including employment in farms, food processing and nondurable wholesale trade. This points to a diminished importance of agriculture in the region's diversifying economy.

Employment growth in the region's declining industries has generally underperformed the same group of industries statewide. Employment in the industry group has been declining moderately at an annual rate of just under 1% over the ten-year period, compared to a very narrow decline of just 0.1% in the same group of industries statewide. The spike in 1992 employment can be attributed to increased employment with political organizations during this election year.

Membership organizations employ 1,500 people in Region 7, accounting for 2.3% of total employment. The effect of the 1995 reclassification of tribal employment from civic, social and fraternal associations was muted in the region, since most of the large towns within the Standing Rock Indian Reservation are in its South Dakota portion. The ten-year growth rate was most affected by the unusually large employment in political organizations during the 1988 election year, which is the base year for the growth comparisons. Aside from this effect, the industry's employment has been generally stable throughout the decade.

SIC 53 - General Merchandise Stores

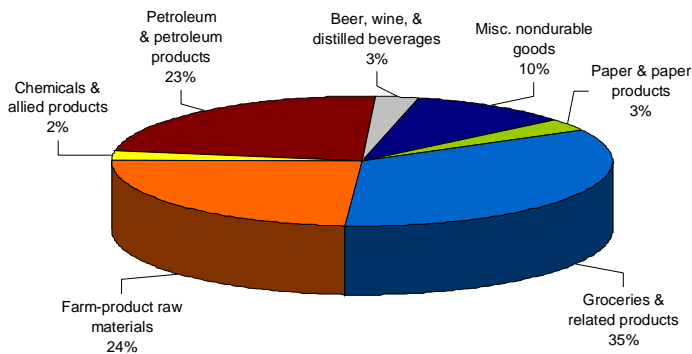
Composition Of 1998 employment



General merchandise stores employ 1,400 people in the region, accounting for just over 2% of total employment, which is nearly equal to the statewide share of 2.1%. Department stores account for the lion's share of industry employment, and despite moderate growth early in the decade, declining employment in this segment over the past two years have offset prior gains. The growth of miscellaneous retail establishments, which include specialty stores, suggests that these niche stores are gaining an increasing share of the market in Region 7.

SIC 51 - Wholesale Trade, Nondurables

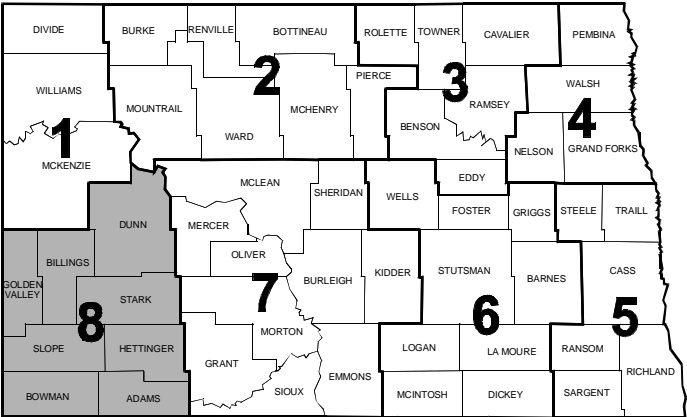
Composition of 1998 employment



Wholesale trade of nondurable goods employs nearly 1,400 people in the region, accounting for 2.1% of regional employment, substantially less than the statewide share of 3.3%. Employment in this industry was more volatile in the early half of the decade, owing to the vagaries of agricultural production that also impacted the food processing industry, curtailing growth in the farm products segment of the industry. However, employment has been stable throughout the last half of the decade, as these losses have been offset by modest growth in the trade of groceries and related products, the largest industry segment.

Other declining industries in Region 7 include hotels and other lodging places and communications. An additional eleven industries are included in the declining industry group, however, they each account for less than 1% of total employment and are not profiled in this report.

Industrial Composition - Region 8



Industrial Composition – Region 8

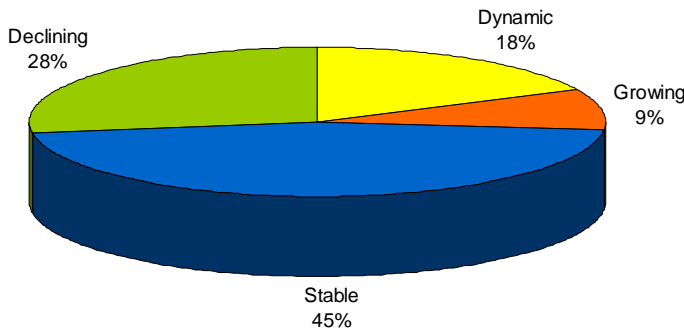
Region 8 is an eight-county rural region in the southwestern corner of North Dakota and is bordered by Montana to the west and South Dakota to the south. The major economic center is Dickinson, located along I-94 in Stark County. About 39,000 people live in the region, or 6% of the state's population. Correspondingly, the region accounts for approximately 5.5% of North Dakota's employment base. The southern half of Theodore Roosevelt National Park is located in the western part of the region, as well as nationally protected grasslands. Also, a portion of the Fort Berthold Indian Reservation is located in Dunn County. A substantial share of the state's mining activity is also located in Region 8.

The region's dynamic industries group employs about 18% of its work force, although there are only eight industries in the group. It is a small but rapidly growing group. The dynamic industries are primarily in services and manufacturing. The growing industries group is also small, as the four industries that comprise this group account for just 9% of employment. Employment in the growing industries is comprised of membership organizations, auto-related services and food processing. It is important to note that four manufacturing industries in the region (food products, lumber and wood products, printing and publishing, and electronic equipment) are classified as either dynamic or growing, providing some expansion for the basic sectors of the regional economy. The stable industries group is the largest, accounting for 45% of total regional employment. As with most other regions in the state, it includes two of its largest industries, state and local government and health services. The declining industries group is the second largest in the region, accounting for 28% of employment. It includes old-line industries related to primary product production in agriculture and mining, as well as the military. The loss of these industries combined with the expansion of manufacturing indicates some transformation of the regional economy that could fuel long-term growth.

Employment in the dynamic industries has increased most rapidly throughout the decade, tripling its share of employment from less than 6% in 1990 to nearly 18% in 1998. Conversely, the concentration of the declining industries has declined precipitously during the same period, from 40% of total employment at the start of the decade to less than 28% in 1998. The presence of the growing and stable industries remained largely unchanged during the 1990s, as each slightly increased their share of regional employment.

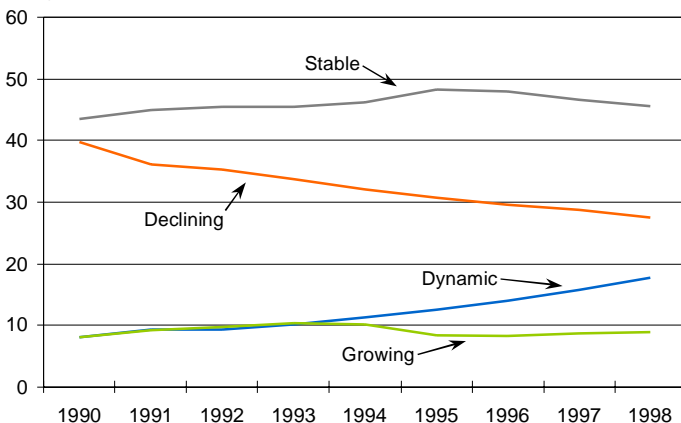
Region 8 Industry Distribution

Percent share of total 1998 employment

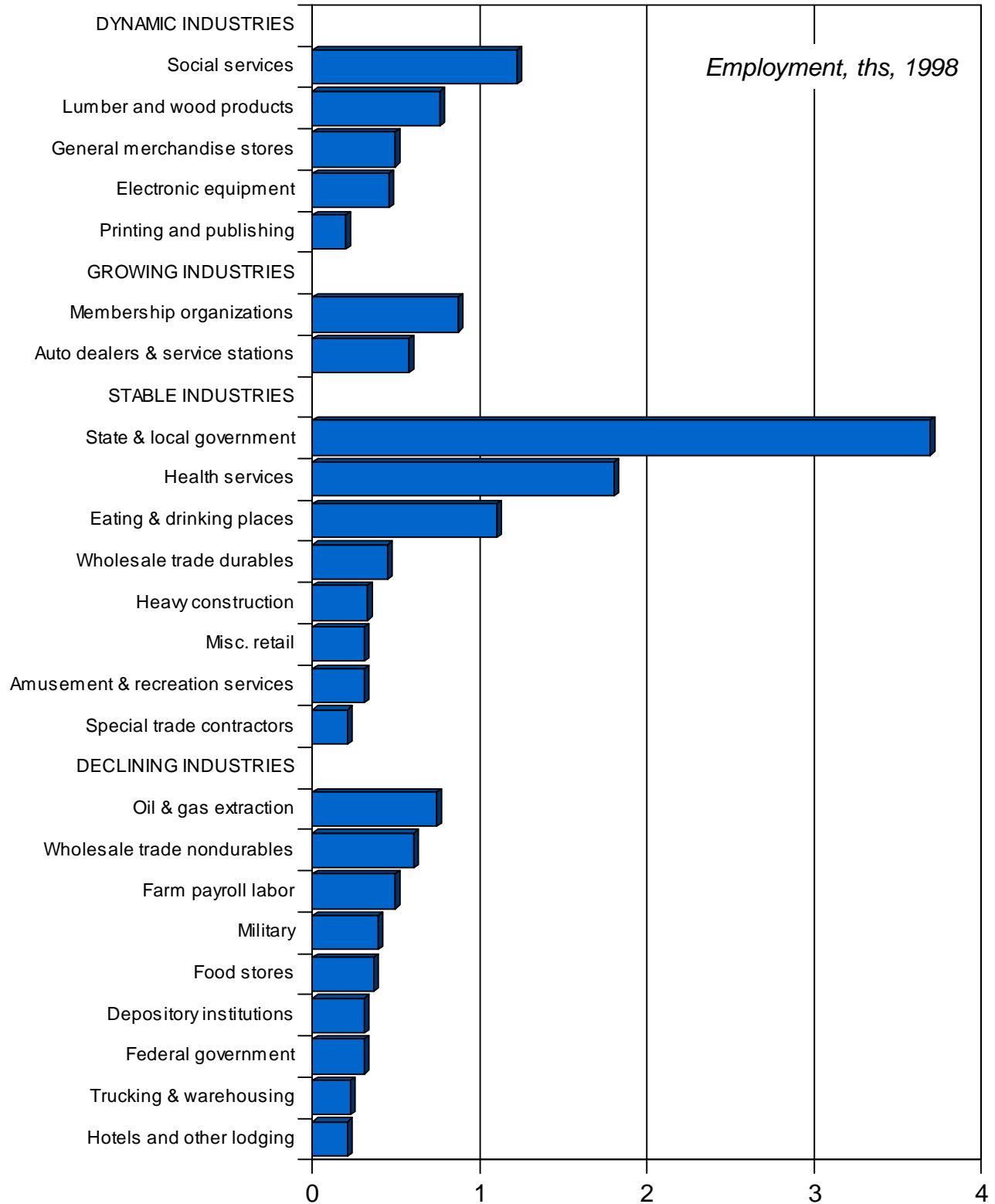


Composition of Region 8 Employment

Category share of total employment

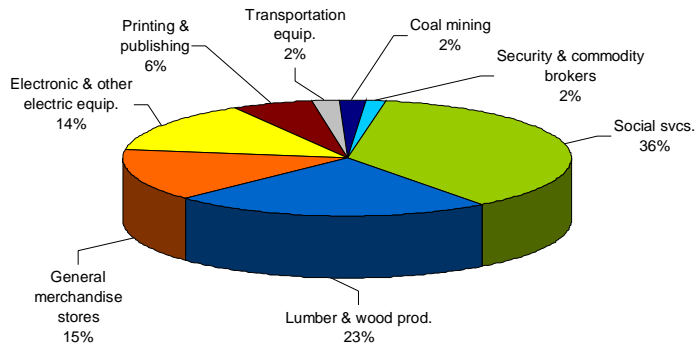


Region 8 Industry Employment Profile



Region 8 Dynamic Industries

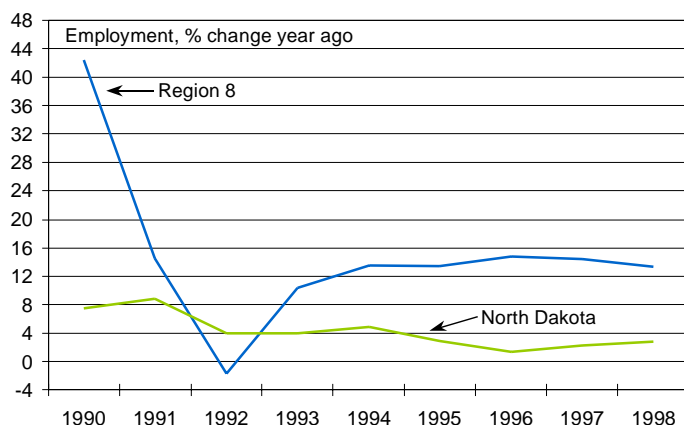
Total 1998 employment = 3,290



Dynamic Industries

Region 8's dynamic industries employ nearly 3,300 people, comprising approximately 18% of total regional employment. The group includes social services and lumber and wood products, which have experienced stronger growth in the second half of the decade. General merchandise stores are also included in this group. This group of dynamic industries characterizes the diversification of the regional economy, as employment in services and manufacturing has grown throughout the decade.

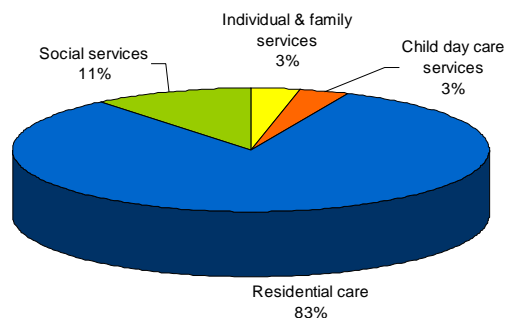
Region 8 Dynamic Industries



Employment in the region's dynamic industries experienced astounding growth early in the decade, owing to the rapid increase in transportation equipment manufacturing in 1990 and 1991. This industry is primarily focused on the production of oil field tankers, which increased as a result of higher oil prices during the Gulf War. The industry group has continued to demonstrate robust growth throughout the decade, easily outpacing the same group of industries, statewide.

SIC 83 - Social Services

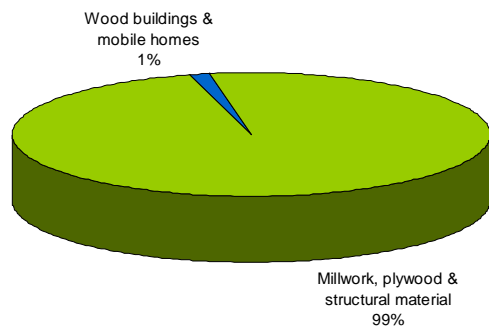
Composition of 1998 employment



Social services employ about 1,200 people in Region 8, constituting approximately 6.5% of total employment in the region, more than twice the statewide share of under 3%, indicating a very high concentration in the region. Leading this growth has been in the residential care industry, which has increased five-fold over the past ten years, employing 1,000 people in 1998. The social services industry is classified as a dynamic industry due to its rapid growth and increasing concentration in the region. While this is not meant to imply that the industry is a driving force in its economic development, it does indicate rising demand for such services and its role as an employer in the region.

SIC 24 - Lumber and Wood Products

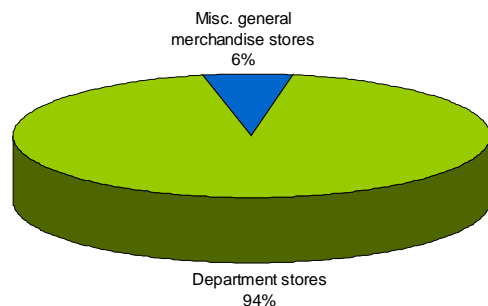
Composition of 1998 employment



Lumber and wood products employ approximately 760 people in Region 8, accounting for over 4% of regional employment. Employment in the industry is centered on millwork, plywood and structural materials that are produced at area lumberyards, such as Prairie Lumber Inc. and Bosch Lumber Co. Employment in this industry has grown rapidly, tripling employment since 1994.

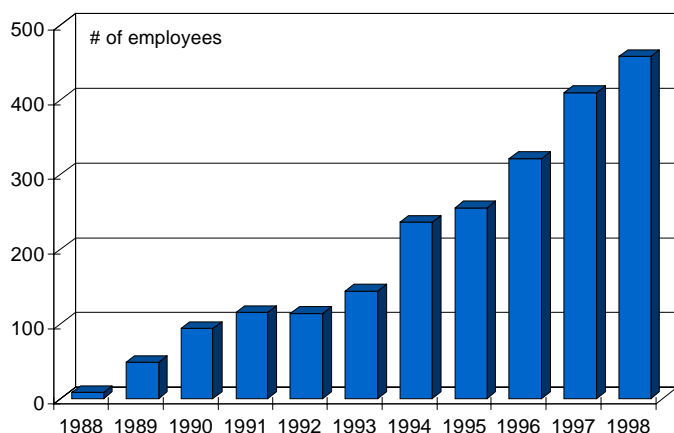
SIC 53 - General Merchandise Stores

Composition of 1998 employment



General merchandise stores employ nearly 500 people in Region 8, accounting for a 2.6% share of overall employment in the region. Most employment is located in Stark County, where the regional center of Dickinson is located. Major department stores such as J.C. Penney, Wal-Mart and Kmart have locations in Dickinson.

SIC 36 - Electronic and Electric Equipment Manufacturing

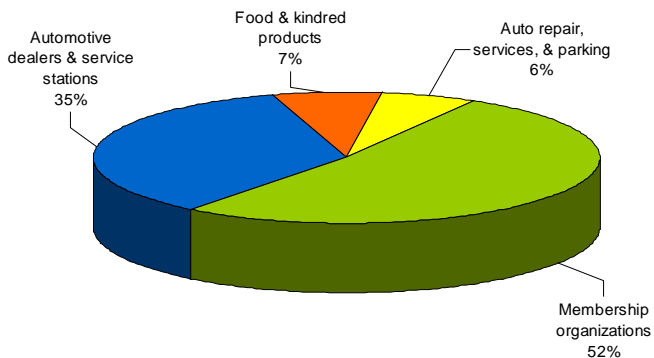


Electronic equipment manufacturing employs more than 400 people in the region, comprising a 2.5% share of total employment, far more than the statewide share of just 0.5%. Employment is entirely centered on the manufacture of electronic components and accessories. Killdeer Mountain Manufacturing produces circuit boards and wiring devices at its plants in Killdeer and Halliday. Steffes Corporation employs 100 people in Dickinson, producing thermal storage heating units.

Other dynamic industries in Region 8 include printing and publishing, transportation equipment manufacturing, coal mining, and security and commodity brokers. They each account for 1% or less of total employment, however, and are not profiled in this report.

Region 8 Growing Industries

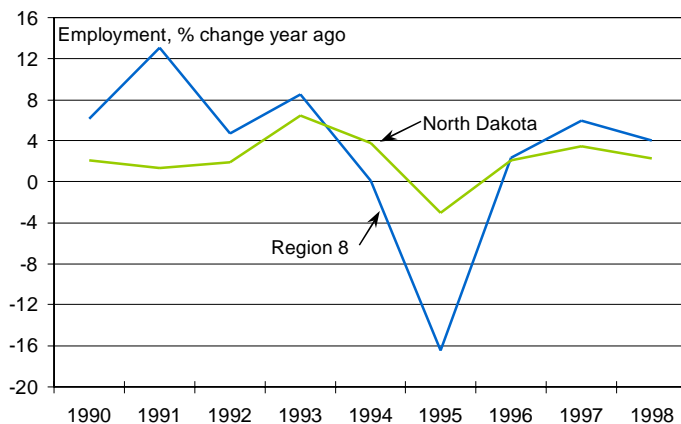
Total 1998 employment = 1,670



Growing Industries

Only four industries are included in Region 8's growing industries. Together they employ less than 1,700 people, comprising only 9% of total regional employment. The group includes membership organizations, automotive dealers and service stations, food and kindred products manufacturing, and auto repair and related services. This narrow range of growing industries is indicative of the limited economic expansion taking place in the region.

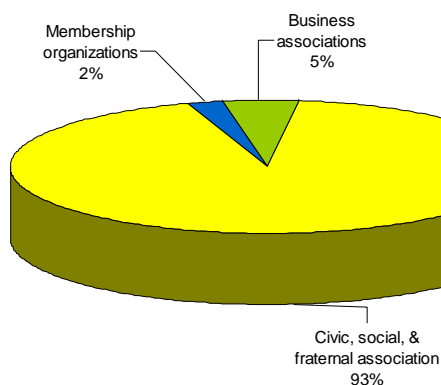
Region 8 Growing Industries



Employment growth in this industry group has followed a similar path as the same industries statewide. The dominant presence of membership organizations in the regional industry group exaggerated the effect of the reclassification of tribal employment to local government in 1995. Overall, however, the industries expanded at an annual pace of 3.4% over the ten-year period, compared to less than 2% for the same group of industries statewide. Within the region, much of the growth took place early in the decade, but it has remained positive since then.

SIC 86 - Membership Organizations

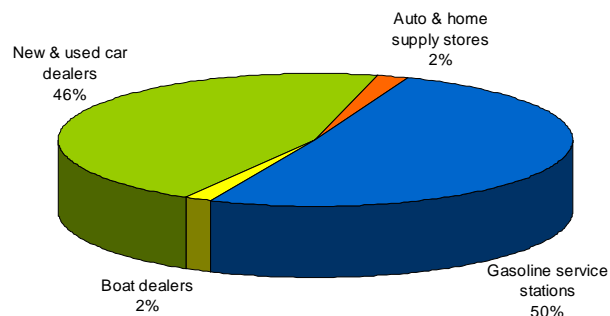
Composition of 1998 employment



Membership organizations employ nearly 900 people in Region 8, accounting for a 4.7% share of total regional employment. Employment in the industry is centered on civic, social and fraternal associations, which, until 1995, included employment by Indian tribal governments. In 1995, this employment was reclassified as local government. As a portion of the Fort Berthold Indian Reservation is located in the region, the industry did suffer an artificial drop in employment, before regaining momentum in the second half of the decade.

SIC 55 - Automotive Dealers & Service Stations

Composition of 1998 employment

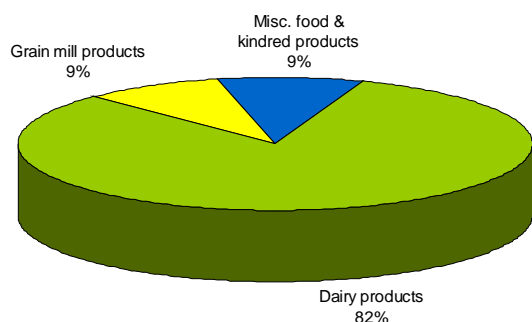


Automotive dealers and service stations

employ less than 600 people in Region 8, accounting for around 3% of total employment, slightly more than the state average of 2.6%. Employment growth has been steady in the industry, and is concentrated in gasoline and service stations and new and used car dealers, which together added more than 150 jobs over the decade. Growth in this industry reflects expansion in travel and tourism and also is consistent with the steady increase in state vehicle registrations throughout the 1990s.

SIC 20 - Food & Kindred Products

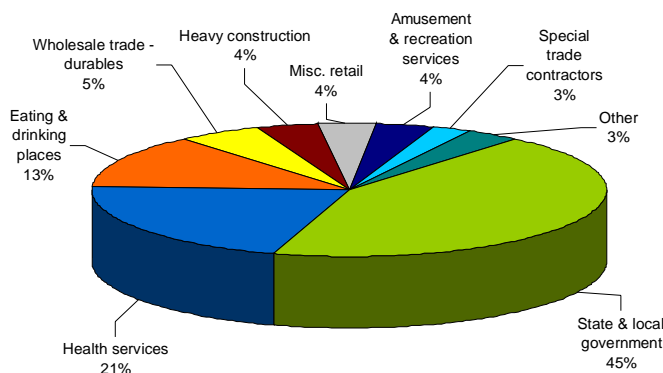
Composition of 1998 employment



Food and kindred products employ approximately 120 people in Region 8, accounting for less than 1% of regional employment, about half the statewide share. The major employer in this industry is Baker Boy Supply of Dickinson. The company supplies bread, cake and related frozen bakery products. Employment growth doubled between 1988 and 1994 and has since been declining, as the regional agricultural economy has declined.

Region 8 Stable Industries

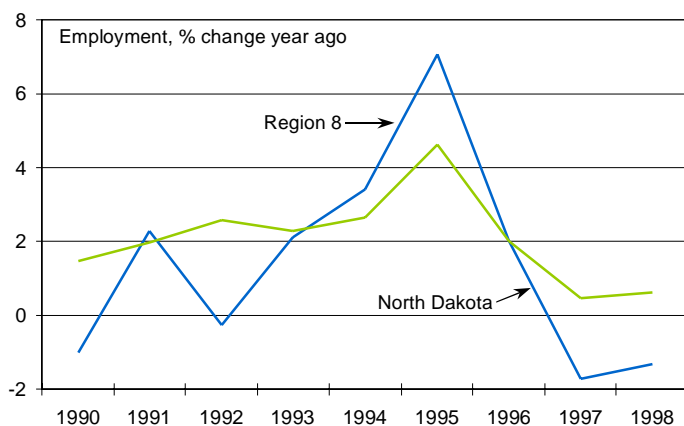
Total 1998 employment = 8,470



Stable Industries

Region 8's stable industries employ over 8,400 people, accounting for 44% of total regional employment. The stable industries include the region's largest, such as state and local government and health services. While employment in health services has been steadily increasing over the past decade, it is losing concentration in the region as it is expanding more rapidly elsewhere at the state and national levels. Eating and drinking places is also in the group, although its work force has declined slightly over the past three years. This industry group indicates that the region relies heavily on government for jobs. And as is the case in many rural regions, health care is among the largest employers in the absence of any other substantially large industries.

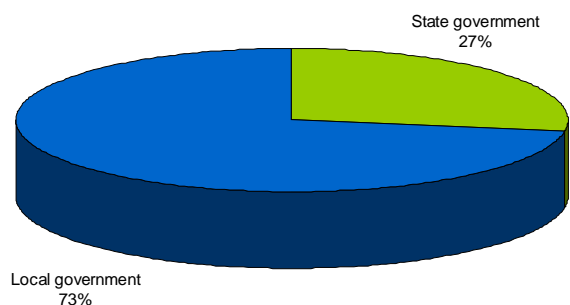
Region 8 Stable Industries



Employment in Region 8's stable industries has been more volatile than the same group of industries statewide. Over the ten-year period, its growth has averaged 1.5% per year, less than the 2% rate for the same group of industries statewide. Spurring this higher growth rate was the reclassification of tribal organizations from membership organizations to local government employment, which drove annual job growth exceeding 7% in 1995. Growth has dropped off substantially since then, and has been declining since 1997.

SIC GVSL - State and Local Government

Composition of 1998 employment

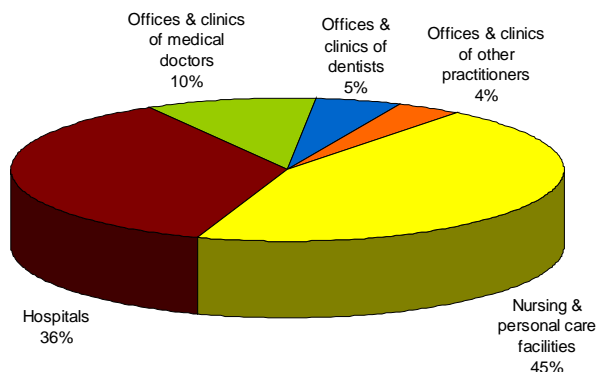


State and local government employs approximately 3,700 people in Region 8, accounting for nearly 20% of total employment, similar to the statewide share. The lion's share of government employment is in local government, which includes employment by public schools and rescue and emergency squads. As of 1995, this industry also included employment by Indian tribal governments, which impacts the region by virtue of the Fort Berthold Indian Reservation, which extends into the northeast corner of Dunn County. State government employment includes 1,000 people working in state police units, regional administrative offices and the region's state parks and wildlife preserves.

Health services employ approximately 1,800 people

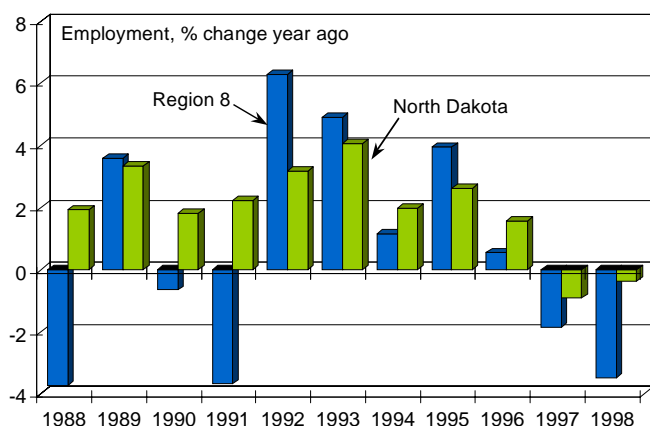
SIC 80 - Health Services

Composition of 1998 employment



in Region 8, constituting just under 10% of total regional employment, in line with the state level. Several of the region's top employers are hospitals and clinics, including St. Joseph's Hospital and St. Benedict's Health Center in Dickinson and West River Health Clinic in Hettinger. While hospitals still account for a majority of industry employment, as in other rural regions, growth of large hospitals has slowed while nursing and personal care industries have rapidly expanded, as the industry has restructured in order to cut costs.

SIC 58 - Eating and Drinking Places

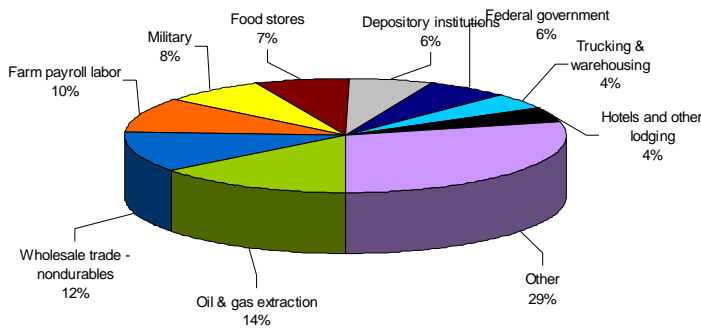


Eating and drinking places employ roughly 1,100 people in the region, constituting 6% of total regional employment. Most employment in this industry is in Stark County, where the regional economic center of Dickinson is located. Despite healthy growth in the middle of the decade, employment in this industry has been declining since 1996, and has been declining more strongly than the statewide average and mirrors the recent downturn in regional employment growth. This reflects the general slowdown in the regional economy in recent years.

Other stable industries in Region 8 include wholesale trade of durable goods, heavy construction, miscellaneous retail stores, amusement and recreation services, and special trade contractors. In addition, apparel and accessory stores; furniture, home furnishings and equipment stores and motion pictures are included in the stable group, however, they account for less than 1% of total employment and are not profiled in this report.

Region 8 Declining Industries

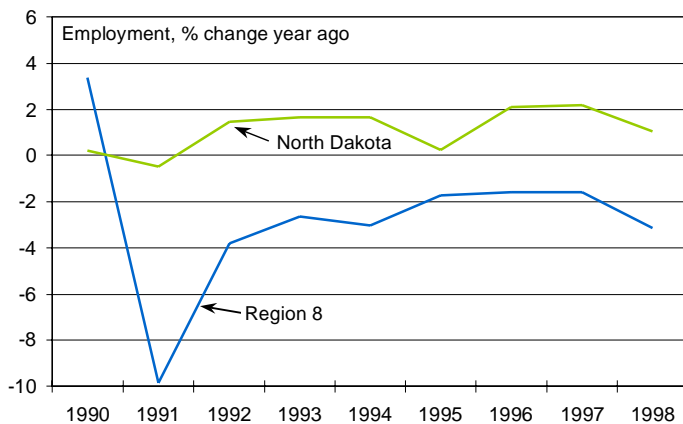
Total 1998 employment = 5,120



Declining Industries

The declining industries in Region 8 employ roughly 5,100 people, accounting for less than 28% of total regional employment. The largest declining industries are oil and gas extraction, wholesale trade and distribution of nondurable goods, and agriculture. Additionally, the federal government and the military are included in this group as they have steadily been cutting their payrolls. The declining industry group characterizes the shift away from primary product production and federal government employment. It also represents a significant decline in basic industries that generate income for the region.

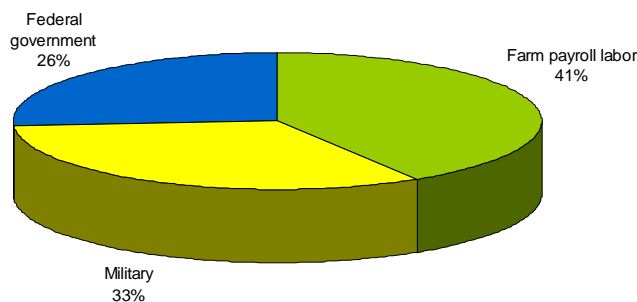
Region 8 Declining Industries



Employment in the region's declining industries has significantly underperformed the same group of industries statewide. The declining industries group has been shedding employees at a 3% average annual pace over the ten-year period, even as the same industry group has modestly expanded by more than 1% statewide. Growth recovered somewhat in the mid-1990s as higher oil prices spurred employment growth in oil and gas extraction and related wholesale trade.

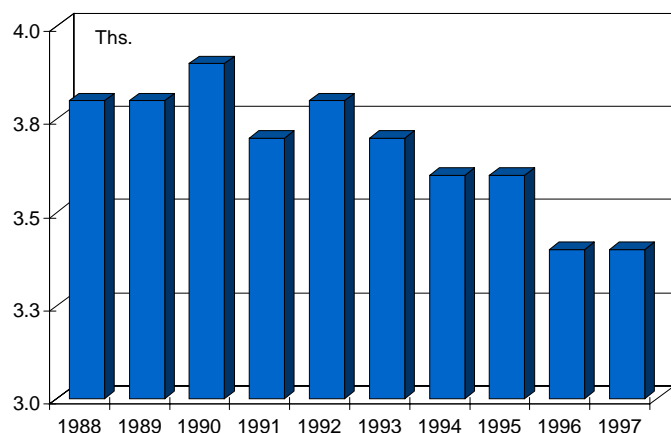
Special Groups - Farms, Military and Federal Government

Composition of 1998 employment



Special groups include farms, military and federal government employment in Region 8. Each of these industries employs more than 300 people in the region, for a combined 6% share of employment. Farm employment has been steadily declining during the decade, as has the number of farm proprietors. Federal government employment in the region consists mainly of employment with the U.S. Postal Service and the Department of Agriculture. Employment in the sector has been steadily declining throughout the decade. Military employment in the region has also been steadily declining during this period.

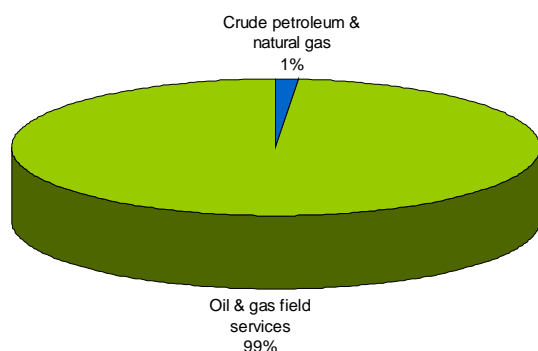
Farm Proprietors



Farm proprietorships have been declining in Region 8 at an average annual rate of more than 1.2% per year. The region has approximately 3,300 farm proprietors, about 11% of the state total. As the state's agriculture industry has been beset by weak pricing as a result of constrained global demand and excess supply, particularly for the state's wheat crop, farmer's profits have been increasingly strained. As a result, many small farmers have been compelled to consolidate operations or declare bankruptcy.

SIC 13 - Oil & Gas Extraction

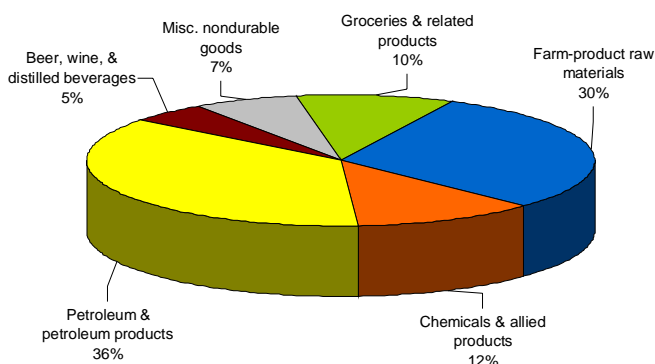
Composition of 1998 employment



Oil and gas extraction employs approximately 750 people in Region 8, comprising nearly 4% of total regional employment, compared to less than 1% statewide. Employment in this industry is closely tied to global oil price movements, as it is more expensive to produce oil in the state compared to elsewhere in the world. As a result, it is most profitable to produce oil in high price environments; the pattern of employment in this industry follows the national pattern, which mirrors the oil price cycle.

SIC 51 - Wholesale Trade, Nondurables

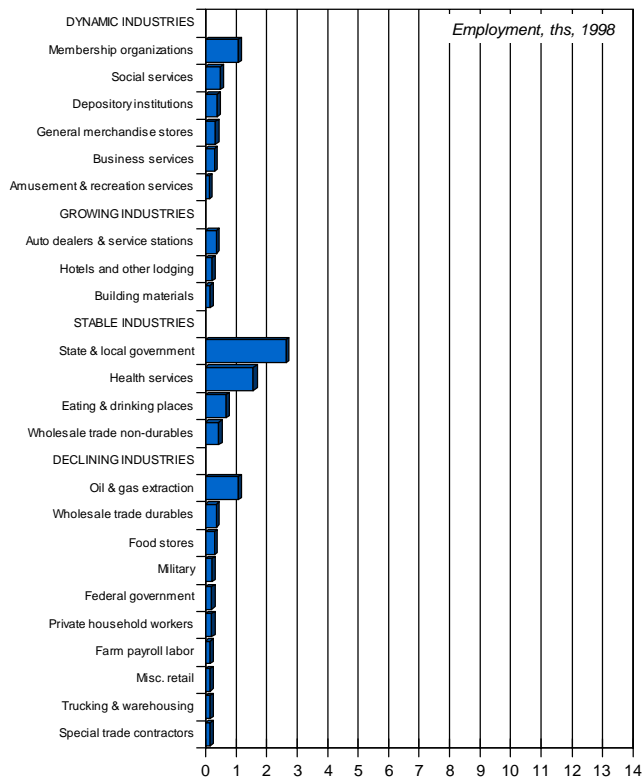
Composition of 1998 employment



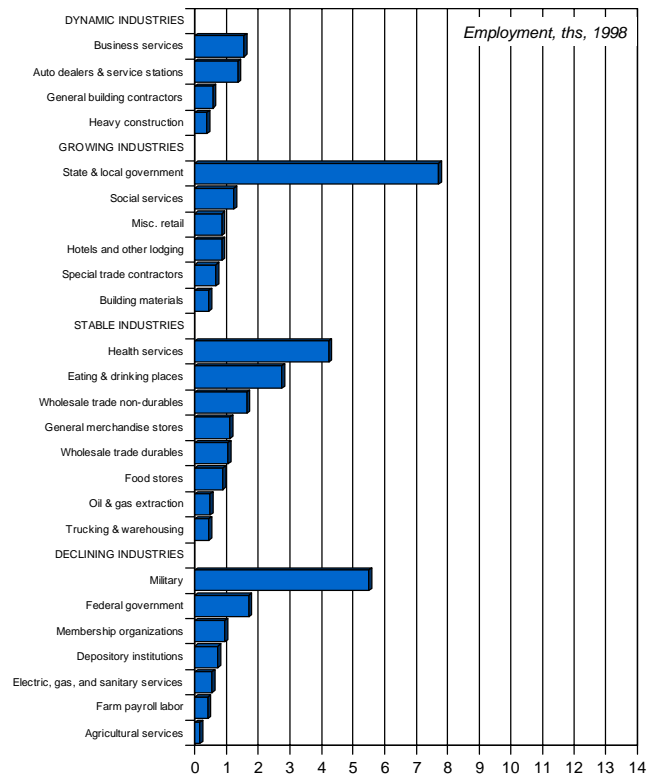
Wholesale trade and distribution of non-durable goods employs roughly 600 people, accounting for approximately 3.2% of regional employment. The industry is closely related to the local agriculture and energy industries. The trade of farm products and groceries is tied to the region's agricultural products, as well as to the operation of Dickinson's Baker Boy Inc. Petroleum and related products are also a major component in the wholesale trade industry, as a result of the local presence of the oil and gas extraction industry.

An additional twenty-nine industries are included in the **declining industries group** for Region 8. The largest of these are food stores, depository institutions and the federal government. They each account for a relatively small share of employment, however, and are not profiled in this report. Region 8 has the largest number of declining industries of any region. The breadth of industries included in the declining group represents a weakness for the region.

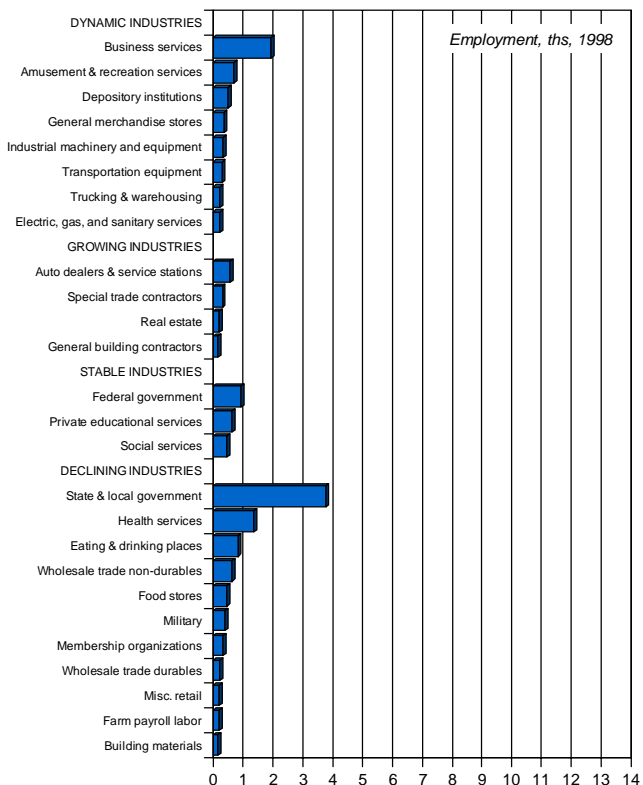
Region 1 Industry Employment Profile



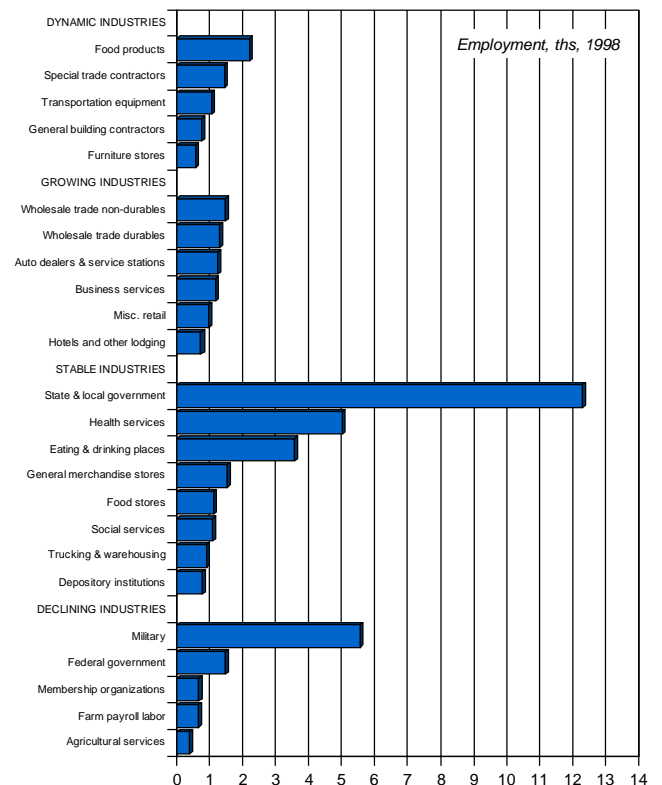
Region 2 Industry Employment Profile



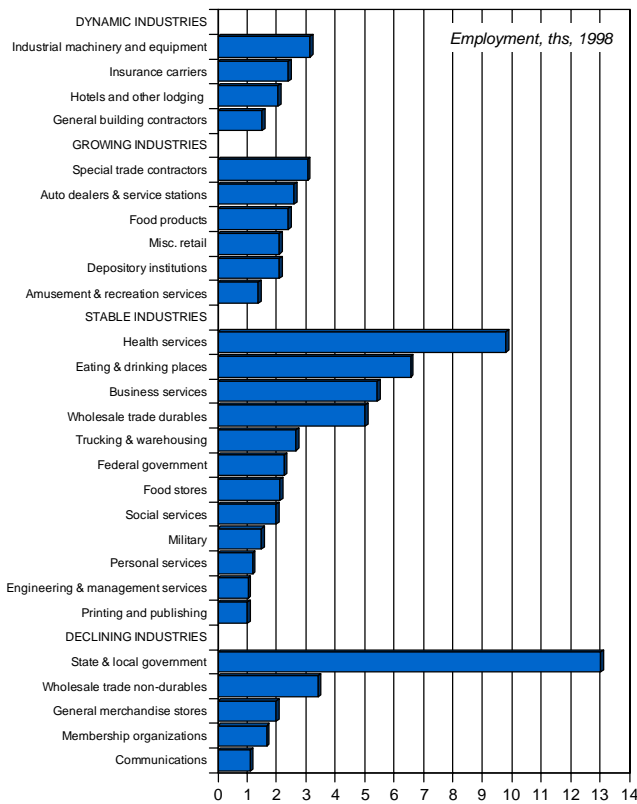
Region 3 Industry Employment Profile



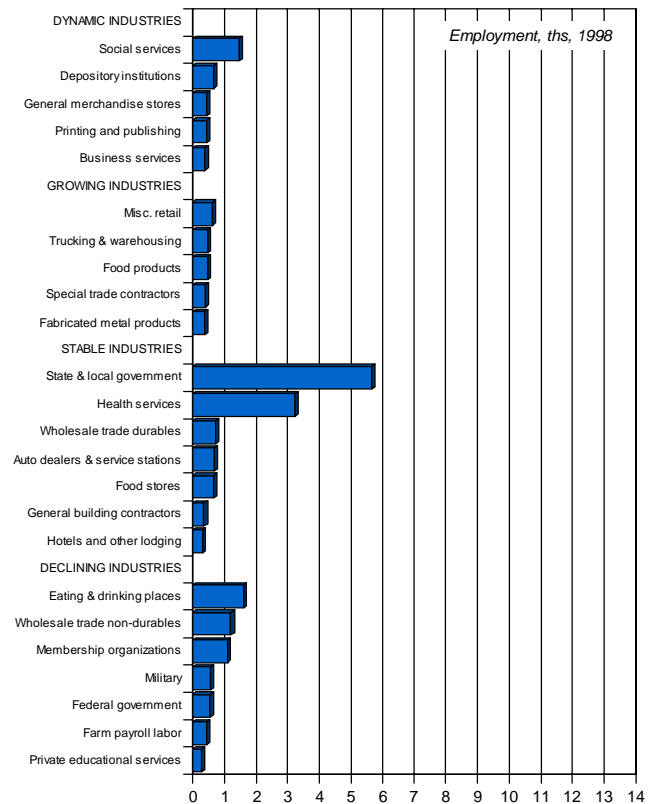
Region 4 Industry Employment Profile



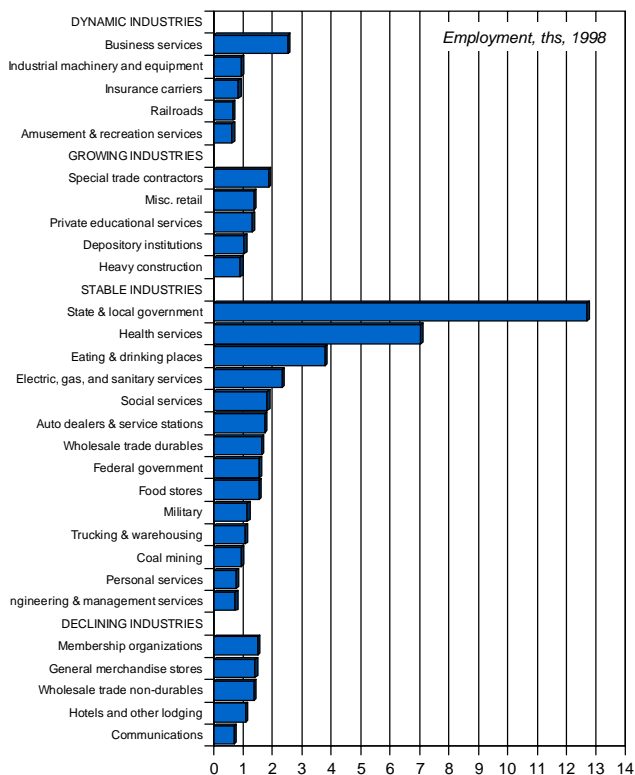
Region 5 Industry Employment Profile



Region 6 Industry Employment Profile



Region 7 Industry Employment Profile



Region 8 Industry Employment Profile

